Dilution by Tarnishment: An Unworkable Cause of Action in Cases of Artistic Expression

Alexandra Olson
alexandra.olson@bc.edu

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DILUTION BY TARNISHMENT: AN UNWORKABLE CAUSE OF ACTION IN CASES OF ARTISTIC EXPRESSION

Abstract: This Note argues that the Trademark Dilution Revision Act (TDRA), enacted to provide relief to companies whose trademarks are used in tarnishing ways, is unworkable when applied to tarnishing uses in artistic works. When the TDRA was enacted in 2006, it included several amendments to current dilution law that will keep defendants who used a trademark in an expressive work free from liability no matter how tarnishing the use. Specifically, the amendments require that the mark be nationally famous and that the defendant’s use of the mark be a trademark use. They also include a noncommercial use exclusion as well as a broad and loosely interpreted fair use exclusion. These amendments unfairly tilt the TDRA in favor of artists who create works for some commercial purpose. Drawing from other areas of intellectual property, this Note suggests that there is a more appropriate standard that should be applied in the TDRA’s stead. In addition to not requiring a mark be nationally famous or that the tarnishing use be a trademark use, there should be a multi-factorial fair use defense similar to that of copyright law. This standard would more appropriately balance First Amendment rights of artists with mark owners’ rights to preserve the reputation of their trademarks.

Introduction

In July 2010, a controversy arose in Poland surrounding an extremely large poster, which depicted the work of artist Max Papeschi and advertised an exhibition of his work at a local gallery.1 The poster combined Mickey Mouse’s image with a swastika and the body of a nude woman.2 The work was part of a larger series that portrayed iconic American cartoon figures with images of destruction.3 The contrast of the familiar Mickey Mouse trademark with images of nudity and Nazism appeared to tarnish the fun-loving and child-friendly reputation of Dis-
ney’s Mickey Mouse trademark. Nonetheless, the Trademark Dilution Revision Act (TDRA) would fail to provide Disney any sort of protection should they decide to bring action against Max Papeschi under the TDRA.

Trademark dilution doctrine seeks to protect the goodwill investment of mark holders by preventing the blurring or tarnishment of a trademark owner’s famous mark. When an artist portrays a mark negatively, the public may associate the mark with the negative portrayal, thus damaging the mark’s reputation and selling power. This theory of dilution is called dilution by tarnishment.

Relief under this theory, however, is limited when artists use a famous trademark in their expressive work. Although the mark holder may have a cause of action for dilution by tarnishment, tension exists between recognizing such an action and protecting First Amendment rights where the tarnishing use is in an expressive work. Despite the 2006 passage of the TDRA, which made dilution by tarnishment a statutory cause of action for mark holders, the Act’s current textual and analytical framework is favorable to artists.

In response to the number of trademark and copyright infringement cases over the last ten years, and in the wake of the TDRA, scholarship has focused on ensuring adequate First Amendment protection for artists against infringement and dilution claims. This Note, how-

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5 See infra notes 202–286 and accompanying text. By referring to Papeschi’s work, I am simply providing a visual example of an artist’s tarnishing use of a trademark and am not implying that Federal Trademark Dilution Act (FTDA) applies extraterritorially.
8 15 U.S.C. § 1125(c) (2) (C).
9 See infra notes 202–286 and accompanying text.
12 See infra notes 202–286 and accompanying text.
13 See Joern, supra note 6, at 302 (praising the First Amendment protection the TDRA provides artists); Lee Ann W. Lockridge, When Is a Use in Commerce a Noncommercial Use?, 37 Fla. St. U. L. Rev. 337, 366 (2010) (recommending a broad interpretation of the TDRA’s
ever, seeks to push the debate in a new direction by suggesting that First Amendment protection in the trademark dilution context has been stretched too far, leaving corporations unable to attain even injunctive relief against diluters. Unlike the more tailored and flexible free speech doctrines found in the laws of trademark infringement, copyright, and right of publicity, dilution by tarnishment as constituted under the TDRA effectively prevents companies from prevailing against artists no matter how harmful the appropriation may be to the corporation’s mark. Papeschi, for example, would be free of liability despite the extremely unsavory association of the positive Disney brand with a swastika.

Part I of this Note introduces trademark dilution and the codification of the Federal Trademark Dilution Act (FTDA) into the Lanham Act. It also discusses the TDRA’s enactment and its amendments to the statutory cause of action for dilution in the Lanham Act and the resulting benefits to artists. It then compares and contrasts the TDRA exclusions with trademark infringement’s artistic relevance test. Part II follows this comparative analysis with one of copyright law and the balancing test courts use under the fair use doctrine. Part III similarly examines state right of publicity statutes and compares this area of law to dilution by tarnishment. Part IV analyzes the current deficiencies under the TDRA that allow artists to escape liability. Part V draws from the deficiencies of Part IV and looks to copyright law and the


15 See id. at 1014 (highlighting that dilution laws will not address potential harm arising from negative depictions due to the ambiguity in the current law). Compare 15 U.S.C. § 1125(c) (containing a broad set of affirmative defenses that narrow the applicability of the TDRA), with 17 U.S.C. § 107 (2006) (containing a four-factor fair use defense that does not automatically preclude claims against noncommercial uses), and 5 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 28:41 (4th ed. 2010) (noting that some courts apply to right of publicity cases in which noncommercial uses are not immediately shielded from liability).
right of publicity to suggest an alternative way in which trademark law could better serve the interests of intellectual property owners when faced with defendants who use the owners’ marks in expressive works.23

I. TRADEMARK DILUTION BY TARNISHMENT: THE CLASH OF ARTISTIC EXPRESSION AND TRADEMARK OWNERS’ GOODWILL INVESTMENT UNDER THE CURRENT STATUTORY FRAMEWORK

The Lanham Act, the federal statute of trademark law, prohibits trademark dilution, trademark infringement, and false advertising.24 Trademark dilution became a prohibited activity under the Lanham Act with the 1995 codification of the FTDA.25 This Part examines the origins of trademark dilution and its statutory enactment under the Lanham Act.26 Section A defines dilution by tarnishment.27 Section B examines the codification of the FTDA and the case that ultimately led to its amendment through the TDRA in 2006.28 Section C analyzes the amendments that the TDRA made to dilution law, specifically those changes benefiting artists.29 Section D compares the broad TDRA exclusions with trademark infringement’s more tailored artistic relevance test.30

A. Origins of Trademark Dilution

Trademark dilution is the gradual corrosion of a trademark’s identity or reputation.31 There are two types of trademark dilution: blurring and tarnishment.32 Dilution by blurring occurs when the distinctive

23 See infra notes 287–338 and accompanying text.
26 See infra notes 31–138 and accompanying text.
27 See infra notes 31–40 and accompanying text.
28 See infra notes 41–56 and accompanying text.
29 See infra notes 57–131 and accompanying text.
30 See infra notes 132–138 and accompanying text.
31 See Siegrun D. Kane, Kane on Trademark Law: A Practitioner’s Guide § 9:1.1, (5th ed. 2010); Justin J. Gunnell, Evaluation of the Dilution-Parody Paradox in the Wake of the Trademark Dilution Revision Act of 2006, 26 CARDOZO ARTS & ENT. L.J. 441, 446 (2008) (stating that dilution refers to an association that arises from a famous mark and a mark or trade name that either impairs the distinctiveness of the mark by blurring or harms its reputation by tarnishing).
identity of a mark is weakened through its use on dissimilar products. Dilution by tarnishment refers to an unauthorized use of a mark that portrays the mark in an unwholesome context “likely to evoke unflattering thoughts about the owner’s product,” thus tarnishing the goodwill investment in the mark. The primary purpose of dilution doctrine is to protect strong marks and the mark holder’s goodwill investment in those marks. Unlike trademark infringement where consumer confusion is the root of the problem, consumers in a dilution context remain able to identify the plaintiff’s product. The harm under tarnishment theory instead lies in the inability of consumers to positively identify the trademark.

Because it is rare that an artist’s use of a mark would impair the mark’s distinctiveness and it is more likely to cause reputational damage to the mark, a mark holder would more likely bring an action against an artist under a tarnishment rather than a blurring theory. Therefore, artists are unlikely targets in a dilution by blurring claim. Rather than weaken the identity of the mark, an artist’s negative portrayal of the mark would simply tarnish the reputation of the source of the mark.

33 See Gunnell, supra note 31, at 446–47. In determining whether a mark will cause dilution by blurring, a court will consider six factors: (1) the degree of similarity between the mark or trade name and the famous mark, (2) the degree of inherent or acquired distinctiveness of the famous mark, (3) the extent to which the owner of the famous mark is exclusively using the mark, (4) the degree of the mark’s recognition, (5) whether the use of the mark was intended to create an association with the famous mark, and (6) any actual association between the mark and famous mark. See 15 U.S.C. § 1125(c)(2)(B).


35 See LaFrance, supra note 6, at 205.


37 See Joern, supra note 6, at 273.

38 See Mattel, Inc. v. Walking Mountain Prods., 353 F.3d 792, 812 (9th Cir. 2003) (addressing dilution by tarnishment rather than blurring).

39 See Joern, supra note 6, at 285 (discussing dilution by blurring).

40 See Walking Mountain Prods., 353 F.3d at 812.
B. Trademark Dilution Under the Federal Trademark Dilution Act

Dilution law first developed through state statutes after Professor Frank Schechter, in an influential law review article, suggested expanding unfair competition law to protect the uniqueness of a trademark.\(^{41}\) After his article, states began enacting statutes addressing dilution, and eventually Congress passed the FTDA in 1995, amending the Lanham Act to recognize anti-dilution law at the federal level.\(^{42}\) Under the FTDA, a mark holder could obtain injunctive relief against a diluter if (1) the mark was famous, (2) the junior user made “commercial use in commerce of a mark or trade name,” (3) if the use began after the mark became famous, and (4) the use caused dilution of the distinctive quality of the mark.\(^{43}\) Congress provided three statutory exemptions: (1) fair use of a mark in comparative commercial advertising or promotion to identify the competing goods or services, (2) noncommercial use, and (3) all forms of new reporting and news commentary.\(^{44}\)

Notably, the FTDA, unlike its state law counterparts, did not explicitly include a cause of action for dilution by tarnishment.\(^{45}\) Despite this lack of an explicit statutory cause of action, however, some lower federal courts recognized the legitimacy of dilution by tarnishment claims under federal law.\(^{46}\) In addition to these courts’ acknowledging dilution by tarnishment, the FTDA’s legislative history shows Congress’s intent to protect famous trademarks from uses that may tarnish them.\(^{47}\)

In 2003, the U.S. Supreme Court in Moseley v. V Secret Catalogue, Inc. not only required a showing of *actual* dilution, but it also called into

\(^{41}\) See LaFrance, *supra* note 6, at 206 (discussing how the 1927 law review article recommended expanding trademark law beyond protecting against consumer confusion or deception); Frank Schechter, *The Rational Basis of Trademark Protection*, 40 Harv. L. Rev. 813, 825 (1927).


\(^{45}\) See id. § 1125(c)(1).

\(^{46}\) See Walking Mountain Prods., 353 F.3d at 812; MCA Records, 296 F.3d at 903 (recognizing both blurring and tarnishment).

\(^{47}\) See Walking Mountain Prods., 353 F.3d at 812; MCA Records, 296 F.3d at 903; H.R. Rep. No. 104-374, at 2 (1995) (stating, however, that the “purpose of H.R. 1295 is to protect famous trademarks from subsequent uses that blur the distinctiveness of the mark or tarnish or disparage it, even in the absence of a likelihood of confusion”).
question the existence of dilution by tarnishment as a cause of action under the FTDA. The Court cast a shadow over the FTDA when it required that mark holders show actual dilution to prevail on their dilution claims and then stated that dilution by tarnishment was not a federal cause of action. The case concerned a dilution action between Victoria’s Secret, a lingerie company, and Victor’s Little Secret, a small adult novelty store. Victoria’s Secret sought injunctive relief against the defendant’s use of “Victor’s Little Secret” as the store’s name. The Supreme Court rejected the lower court’s grant of an injunction, concluding that the FTDA required a showing of actual dilution to objective proof of actual injury to the economic value of the mark. Under this actual dilution standard, the Court reasoned that Victoria’s Secret had insufficient evidence to prove actual dilution.

In addition to holding that Victoria’s Secret failed to show actual dilution to the mark, the Court noted that tarnishment is not a specific cause of action under the FTDA. Whereas state anti-dilution statutes explicitly reference tarnishment, the Court reasoned, the FTDA’s statutory text did not embrace tarnishment actions. In ruling so, the Court refused to give credit to the fact that the FTDA’s legislative history mentions tarnishment.

49 See id.; Roe, supra note 13, at 578–80.
50 See Moseley, 537 U.S. at 422.
52 See Moseley, 537 U.S. at 432–33 (looking to the text of the FTDA, and holding that the “FTDA . . . provides that ‘the owner of a famous mark’ is entitled to injunctive relief against another person’s commercial use of a mark or trade name if that use ‘causes dilution of the distinctive quality’ of the famous mark” (emphasis added)); see also Joern, supra note 6, at 279.
53 See Moseley, 537 U.S. at 434.
54 See id.
55 See id. The Court stated:

Whether [tarnishment] is actually embraced by the statutory text, however, is another matter. Indeed, the contrast between the state statutes, which expressly refer to both “injury to business reputation” and to “dilution of the distinctive quality of a trade name or trademark,” and the federal statute which refers only to the latter, arguably supports a narrower reading of the FTDA.

Id.; see also Roe, supra note 13, at 579 (discussing the Moseley Court’s questioning of whether the FTDA included tarnishment as a cause of action).
C. Dilution by Tarnishment Under the TDRA: Effectively Providing Greater Protection for Artists

After the Supreme Court held that the FTDA required proof of actual dilution rather than a likelihood of dilution, Congress enacted the TDRA in 2006 to overrule Moseley and make clear that mark holders need only prove a likelihood of dilution.57 In passing the TDRA, Congress also explicitly incorporated dilution by tarnishment in the statutory text.58 A dilution action under the TDRA has three elements: (1) the famous mark must be distinctive, (2) another person must use a mark or trade name in commerce after the owner’s mark has become famous, (3) the use must be likely to cause dilution by blurring or tarnishment of the famous mark regardless of any confusion, competition, or actual economic injury.59

But the TDRA, by amending the Lanham Act and broadening the defenses, also undercut the benefits for mark holders.60 Thus although the TDRA was enacted to remedy the Moseley holding and make it easier for mark holders to show dilution, it also created greater loopholes through which artists could escape dilution liability.61

1. Statutory Changes Favoring Mark Holders: Tarnishment and the “Likelihood Standard”

Through the TDRA, Congress made two key changes favorable to mark holders.62 First, Congress explicitly established dilution by tarnishment as a federal cause of action and defined the term specifically.63 Replacing the general definition of dilution from the FTDA, the TDRA defines dilution by tarnishment as the “association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.”64 Unlike the FTDA’s general definition of “dilution”—which focused on the capacity of a mark

58 See 15 U.S.C. § 1125(c) (1); Roe, supra note 13, at 581.
59 15 U.S.C. § 1125(c) (1).
60 See id. § 1125(c); Roe, supra note 13, at 580–88.
61 See infra notes 62–131 and accompanying text.
62 See 15 U.S.C. § 1125(c); Roe, supra note 13, at 581.
64 15 U.S.C. § 1125(c) (2) (C).
to identify goods—the TDRA’s definition of dilution by tarnishment emphasizes the possibility of harm to the mark’s reputation.\textsuperscript{65}

Second, responding to \textit{Moseley}'s requirement of a showing of actual dilution, the TDRA extended the cause of action to any use of a mark that is “likely” to cause dilution by tarnishment.\textsuperscript{66} By only requiring a likelihood of tarnishment rather than actual tarnishment, Congress lowered the burden of proof on the trademark holder.\textsuperscript{67} The TDRA also creates a rebuttable presumption that a mark, identical or substantially similar to the original mark, is likely to tarnish the famous mark.\textsuperscript{68} Thus if an artist appropriates a mark, the burden is placed on the artist to show that there is no likelihood of tarnishment.\textsuperscript{69} The lower burden of proof for mark holders should give them a greater chance of winning dilution actions.\textsuperscript{70}

2. Changes in the Statutory Language That Favor Defendants

Nonetheless, the statutory changes which seemingly favor the mark owner are counterbalanced by other language in the TDRA that provides additional support to accused diluters, especially artists.\textsuperscript{71} Of these protections, the two most relevant are (1) the interpretation of the statute’s “use of a mark” language, which requires that the unauthorized use be a trademark use—that is, the defendant must use the mark as his own trademark rather than generally appropriating it in a distasteful manner—and (2) the requirement that the mark be nationally famous.\textsuperscript{72}

\textsuperscript{65} See \textit{id.}
\textsuperscript{66} See \textit{id.} § 1125(c)(1).
\textsuperscript{67} H.R. Rep No. 109-23, at 3, 5; \textit{see Moseley}, 605 F.3d at 388; Ringling Bros.-Barnum & Bailey Combined Shows, Inc. v. Utah Div. of Travel Dev., 170 F.3d 449, 462 (4th Cir. 1999) (stating that plaintiffs had to show actual economic loss), \textit{superseded by statute}, 15 U.S.C. § 1125(c)(1); \textit{see also} Roe, \textit{supra} note 13, at 582 (stating other reasons for having a “likelihood” standard, such as aligning with state antidilution laws, following the FTDA’s legislative history, and becoming more consistent with trademark infringement law, which requires a likelihood standard for determining consumer confusion).
\textsuperscript{68} See \textit{Moseley}, 605 F.3d at 388–89.
\textsuperscript{69} See \textit{id.} (finding that the store Victor’s Secret could not overcome this presumption of tarnishment).
\textsuperscript{70} See Roe, \textit{supra} note 13, at 582.
\textsuperscript{71} See \textit{id.} at 585.
Implicit in the statutory language is the requirement that the mark be used as a designation of source—that is, as a trademark.\textsuperscript{73} To be found liable for dilution by tarnishment, the accused use must be of “a mark or trade name.”\textsuperscript{74} In other words, an artist is only liable if he used a mark identical or similar to the holder’s mark as the artist’s own trademark.\textsuperscript{75}

The second change wrought by the TDRA regards the fame of the mark.\textsuperscript{76} Despite strong recognition in a particular market, a mark owner cannot make a federal claim for dilution by tarnishment unless the mark is nationally famous.\textsuperscript{77} Congress limited the scope of dilution actions to nationally famous marks in two ways.\textsuperscript{78} First, the TDRA provides that a mark is famous only if it is “widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark’s owner.”\textsuperscript{79} This language was not in the FTDA.\textsuperscript{80} Second, the TDRA eliminates several factors that courts used under the FTDA to recognize niche market fame.\textsuperscript{81}

\textsuperscript{73} See Burstein, supra note 7, at 1221. The statute provides injunctive relief to owners of famous marks whose marks are blurred or tarnished by another person who “commences use of a mark or trade name. . . .” 15 U.S.C. § 1125(c)(1) (emphasis added); Burstein, supra note 7, at 1223 (noting that the Lanham Act defines “trade name” and “mark” to include an essential element that the mark be used to indicate the source of the goods or services); see also Tiffany (NJ) Inc. v. eBay Inc., 600 F.3d 93, 112 (2d Cir. 2010) (finding that the dilution claim failed because eBay did not use the Tiffany marks to refer to eBay’s own product). Although this requirement is not an explicit change from the FTDA, post-TDRA courts have interpreted the language as a requirement, while before the enactment of the TDRA it was not regularly mentioned in cases. Compare Tiffany, 600 F.3d at 112 (requiring the use to be a trademark use), and Starbucks Corp. v. Wolfe’s Borough Coffee, Inc., 588 F.3d 97, 112 (2d Cir. 2009) (requiring the use to be a trademark use), with Walking Mountain Prods., 353 F.3d at 812 (applying the FTDA to an artistic work not used as a trademark, and neglecting to discuss any requirement that the use of the Barbie mark be as the artist’s own trademark).

\textsuperscript{74} 15 U.S.C. § 1125(c)(1); Haute Diggity Dog, 507 F.3d at 265; Burstein, supra note 7, at 1223 (noting that the Lanham Act defines “trade name” and “mark” to include an essential element that the mark be used to indicate the source of the goods or services).

\textsuperscript{75} See 4 McCarthy, supra note 15, § 24:122.


\textsuperscript{77} See Burstein, supra note 7, at 1217.


\textsuperscript{79} Id.

\textsuperscript{80} See id. § 1125(c).

\textsuperscript{81} See id. § 1125(c)(2)(A). In determining whether a mark is famous, the Court now considers four factors:

(i) The duration, extent, and geographic reach of advertising and publicity of the mark, whether advertised or publicized by the owner or third parties.

(ii) The amount, volume, and geographic extent of sales of goods or services offered under the mark.
FTDA there were eight factors used to determine the fame of a mark. Although some courts required that a mark be nationally famous to receive protection, others looked to the fame factors, holding a mark famous if it was recognizable only in a niche market. This niche market theory allowed mark holders with marks not recognized by the U.S. public at large to still qualify as sufficiently famous. With the TDRA’s requirement that the mark be widely recognized by the U.S. public and the elimination of several of the fame factors, mark holders with lesser known marks will have greater difficulty bringing dilution actions. In the 2008 case Board of Regents, University of Texas System ex rel. University of Texas at Austin v. KST Electric, Ltd., decided by the U.S. District Court for the Western District of Texas, the University of Texas sued for the misuse of its Longhorn logo. The court found that although the logo was part of a niche market, “[I]t was not at all clear whether someone who

(iii) The extent of actual recognition of the mark.  
(iv) Whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.

_Id._ § 1125(c)(A)(i)–(iv). The TDRA eliminated four factors from the FTDA’s list of eight, including “channels of trade for the goods or services with which the mark is used” and the “degree of recognition of the mark in the trading areas and channels of trade used by the mark’s owner,” in order to effectively eliminate the niche market theory. _See_ 15 U.S.C. § 1125(c)(1)(E), (F) (2000), _amended_ by 15 U.S.C. § 1125 (2006) (emphasis added).

82 The eight factors used to determine the requisite fame of the mark were

(A) the degree of inherent or acquired distinctiveness of the mark;  
(B) the duration and extent of use of the mark in connection with the goods or services with which the mark is used;  
(C) the duration and extent of advertising and publicity of the mark;  
(D) the geographical extent of the trading area in which the mark is used;  
(E) the channels of trade for the goods and services with which the mark is used;  
(F) the degree of recognition of the mark in the trading areas and channels of trade used by the marks’ owner and the person against whom the injunction is sought;  
(G) the nature and extent of use of the same or similar marks by third parties; and  
(H) whether the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register.


83 _See_ Thane Int’l, Inc. v. Trek Bicycle Corp., 305 F.3d 894, 908 (9th Cir. 2002) (holding that plaintiff’s use of mark in a narrow market is sufficient to meet the requirement that a mark be famous); Burstein, _supra_ note 7, at 1216.

84 _See_ Joern, _supra_ note 6, at 283–84.

85 _See_ Bd. of Regents, Univ. of Tex. System _ex rel._ Univ. of Tex. at Austin _v._ KST Elec., Ltd., 550 F. Supp. 2d 657, 675 (W.D. Tex. 2008).

86 _See id._ at 663.
was not a fan of college football would recognize the logo as being associated with the university.\footnote{87}

3. The Broadened Exclusions from Liability

The TDRA vastly expanded the defenses available to artists under the FTDA.\footnote{88} Under the FTDA, there were three statutory exemptions: (1) fair use in comparative advertising or promotion to identify the competing goods or services, (2) news reporting and news commentary, and (3) noncommercial use.\footnote{89} The TDRA retained the latter two exceptions and significantly expanded the fair use exception.\footnote{90} The fair use exception now provides for “any fair use, including a nominative or descriptive fair use . . . including use in connection with (i) advertising or promotion that permits consumers to compare goods or services; (ii) or identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.”\footnote{91} The TDRA thus expanded the narrow fair use in advertising to the much broader nominative and descriptive fair use in not only advertising but also in parodying, criticizing, or commenting upon the famous mark.\footnote{92} This Section first discusses the retention of the noncommercial use exception.\footnote{93} Then it addresses the expansion of the fair use exception to include nominative fair use and parody.\footnote{94}
In retaining the exemption for noncommercial uses, Congress attempted to balance the intellectual property rights of mark holders with the First Amendment right to free expression. Prior to the TDRA, the noncommercial use exception was defined by referring to the definition of commercial speech in First Amendment law. In 2002 in *Mattel, Inc. v. MCA Records*, the U.S. Court of Appeals for the Ninth Circuit differentiated commercial from noncommercial speech by stating that if speech is “not ‘purely commercial’—that is, if it does more than propose a commercial transaction—then it is entitled to full First Amendment protection.” Post-TDRA, courts have continued to look at the noncommercial use exemption through the lens of commercial speech under First Amendment case law. Thus even if a defendant’s use of a mark is “in commerce” as required by the TDRA, the noncommercial use exemption will release the defendant from liability, provided their primary purpose in using the mark was not commercial.

With many contemporary artists striving for commercial success in the art market, the rigid interpretation of the noncommercial use defense seems inapplicable to uses of trademarks in art. Under the current statutory framework, a use will be shielded as noncommercial unless the use of the mark is inherently commercial. But in an art world that is increasingly commercial—with international art auctions generating billions of dollars in sales—the primary purpose of creating such artist’s photographs subjecting Barbie to disturbing physical positions constituted noncommercial speech).

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95 See *MCA Records*, 296 F.3d at 906.
96 See id; Lockridge, *supra* note 13, at 366.
97 See 296 F.3d at 906 (emphasis added).
99 See 15 U.S.C. § 1125(c)(1) (2006). The TDRA’s cause of action for injunctive relief now reads “the owner of a famous mark . . . shall be entitled to an injunction against another person who . . . commences use of a mark or trade name in commerce . . . .” Id. (emphasis added). The “use in commerce” requirement is explained by the Lanham Act, which states that a mark is used in commerce on goods “when—(A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, and (B) the goods are sold or transported in commerce . . . .” Id.
100 See *MCA Records*, 296 F.3d at 906; *Smith*, 537 F. Supp. 2d at 1339–40.
102 See *Smith*, 537 F. Supp. 2d at 1339.
works becomes unclear. \(^{103}\) Contemporary artworks have generated hundreds of millions in revenue via public auctions and commercial advertising in November 2011 alone. \(^{104}\) This commercial market is due in part to technological advances over the last several years—advances including online databases through which collectors worldwide can take part in multi-million dollar transactions, virtual art fairs, and real-time online bidding. \(^{105}\) Nonetheless, in the context of trademarks, courts have not recognized the blurred line between commercial and noncommercial speech. \(^{106}\)

In addition to the retention of the noncommercial use exception, the TDRA extended the Fair Use exception to include nominative fair use. \(^{107}\) Max Papeschi, as well as any other artist appropriating a famous mark, would easily be able to use nominative fair use as a defense to a potential dilution suit. \(^{108}\) Despite its inclusion in trademark dilution, nominative fair use was developed in the trademark infringement context. \(^{109}\) In 1992, the U.S. Court of Appeals for the Ninth Circuit, in *New Kids on the Block v. News America Publishing, Inc.*, defined “nominative fair use” as a use of a mark that is permissible because the junior user uses


\(^{104}\) See Press Release, Sotheby’s, Sotheby’s Contemporary Art Evening Sale Totals Outstanding $315,837,000 (Nov. 9, 2011), http://www.sothebys.com/content/dam/sothebys/PDFs/Contemporary-Evening-Nov11.pdf. The sale total for Sotheby’s November 2011 Contemporary Art Evening Sale was $315,837,000. *Id.*

\(^{105}\) See Eileen Kinsella, *A Guide to the Virtual Art Market*, ARTnews, Nov. 2010, at 99, 103 (writing that the “instantaneous dissemination of information and images made possible by technology has had a major impact on the art world,” and that “today . . . artists create styles that they keep churning out, like a brand”).

\(^{106}\) See Burnett v. Twentieth Century Fox Film Corp., 491 F. Supp. 2d 962, 974 (C.D. Cal. 2007) (stating that Fox’s use of the Charwoman character is a form of noncommercial expression as it does more than propose a commercial transaction and is thus not subject to a dilution suit).

\(^{107}\) See 15 U.S.C. § 1125 (c) (3) (A) (2006). The fair use exception also includes descriptive use in which a mark is used purely for its descriptive quality to describe one’s own product. 2 McCarthy, *supra* note 15, § 11:45.

\(^{108}\) See Tiffany, 600 F.3d at 112; *Walking Mountain Prods.*, 353 F.3d at 812. The nominative fair use defense may also prove unnecessary, provided courts continue to require that the contested use of a mark be a trademark use. See Tiffany, 600 F.3d at 112; Burstein, *supra* note 7, at 1225, 1244. If the junior user must use the mark as a trademark in order to fall within the scope of the statute, then the nominative fair use exception (which exempts non-trademark uses) is irrelevant. See Burstein, *supra* note 7, at 1225, 1244 (noting the contradiction between the trademark use requirement and the nominative fair use exception).

\(^{109}\) See New Kids on the Block v. News Am. Publ’g, Inc., 971 F.2d 302, 308 (9th Cir. 1992). In this case, a music group brought suit against newspapers for infringing upon the group’s trademark in polls on the group’s popularity. See *id.* at 302.
the mark in a non-confusing way for the purpose of identifying the mark holder’s goods or services.\textsuperscript{110} Nominative fair use thus excuses artists who use a trademark to describe or identify a mark holder’s product for purposes of criticism or reference.\textsuperscript{111} Papeschi clearly used the mark not to describe his own product, but to identify the Disney brand within his artwork.\textsuperscript{112}

Dilution by tarnishment now shares this nominative fair use defense with trademark infringement even though it does not share trademark infringement’s concern for likelihood of confusion.\textsuperscript{113}

\textsuperscript{110} 971 F.2d at 308. There is also the classic fair use defense, an affirmative defense in which the junior user asserts he is using the trademark in good faith in its descriptive sense to describe the junior user’s own product. 2 McCarthy, supra note 15, § 11:45 (“When the plaintiff chooses a mark with descriptive qualities, the fair use doctrine recognizes that ‘he cannot altogether exclude some kinds of competing uses, particularly those which use words in their primary descriptive and nontrademark sense.’” (quoting U.S. Shoe Corp. v. Brown Grp., Inc., 740 F. Supp. 196, 198 (S.D.N.Y. 1990), aff’d, 923 F.2d 844 (2d Cir. 1990))).

\textsuperscript{111} See Walking Mountain Prods., 353 F.3d at 809–10; Playboy Enters., Inc. v. Welles, 279 F.3d 796, 801, 806 (9th Cir. 2002); Burstein, supra note 7, at 1242–43. Because the Lanham Act does not explicitly define nominative fair use and because courts deciding infringement cases have not all followed the Ninth Circuit’s nominative fair use test, it is unclear as to how courts in the dilution context will apply this defense. See 15 U.S.C. § 1125(c)(3)(A) (2006); Burstein, supra note 7, at 1242–44 (discussing the confusion around how the courts will apply the test for nominative fair use as it stems from the infringement context); see also New Kids on the Block, 971 F.2d at 308. Trademark infringement’s three-part test for determining whether nominative use becomes nominative fair use is as follows: (1) plaintiff’s product or service in question must be one not readily identifiable without use of the trademark, (2) only so much of the mark can be used as necessary to identify the plaintiff’s product or service, and (3) the user must do nothing to suggest sponsorship or endorsement by the trademark holder. New Kids on the Block, 971 F.2d at 308. Nominative fair use has also been inconsistently applied in the infringement context. See Century 21 Real Estate Corp. v. Lendingtree, Inc., 425 F.3d 211, 232 (3d Cir. 2005); Playboy Enters., 279 F.3d at 801. Since New Kids on the Block, the Ninth Circuit has held that nominative fair use is not an affirmative defense as classic fair use is, but instead, when the analysis is relevant, the court should apply the three-part test of New Kids on the Block instead of the standard eight-part test for likelihood of confusion. See Playboy Enters., 279 F.3d at 801 (finding that the three-factor test should be applied instead of the test for likelihood of confusion). The Third Circuit, however, has used the Ninth Circuit’s nominative fair use as an affirmative defense like classic fair use. See Century 21 Real Estate Corp., 425 F.3d at 232 (applying a slightly modified three factor nominative use test adapted from New Kids on the Block as an affirmative defense).

\textsuperscript{112} See infra App.

\textsuperscript{113} See E.S.S. Entm’t 2000, Inc. v. Rock Star Videos, Inc., 547 F.3d 1095, 1098–99 (9th Cir. 2008) (recognizing nominative use doctrine in an infringement context, protecting those who use another’s trademark for comparison, criticism, or point of reference); Haute Diggity Dog, 507 F.3d at 266 (noting that nominative fair use is a statutory defense under the TDRA); Christine Haight Farley, Why Are We Confused About the Trademark Dilution Law, 16 Fordham Intell. Prop. Media & Ent. L.J., 1175, 1176 (2006) (noting dilution law’s disregard for the confusion test).
Whereas dilution by tarnishment claims rest upon the theory of protecting the goodwill of the mark holder, trademark infringement claims rely upon the underlying rationale of preventing consumer confusion as to the source or sponsor of a good or service.\textsuperscript{114} Using the nominative fair use defense in an infringement context as an example, artists can argue they use trademarks in a non-confusing way in order to describe the mark holder’s products.\textsuperscript{115} This was the case in 2003 in \textit{Mattel, Inc. v. Walking Mountain Productions} before the Ninth Circuit.\textsuperscript{116} There, an artist incorporated images of Barbie in his photographs in less than favorable settings and positions.\textsuperscript{117} The court held the artist was not liable for trademark infringement because there was no likelihood that the public would believe Mattel endorsed the photographs and therefore there was no confusion.\textsuperscript{118} This policy of preventing consumer confusion animates the law of trademark infringement.\textsuperscript{119} Thus when the use of a trademark poses no risk of confusion, punishment of the junior user serves no purpose.\textsuperscript{120} Dilution law, on the other hand, does not share trademark infringement’s concern with confusion but it now shares its nominative use defense.\textsuperscript{121}

The TDRA also now explicitly includes parody as a fair use defense.\textsuperscript{122} The fair use exception includes “identifying and \textit{parodying}, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner.”\textsuperscript{123} A tarnishing use will not be actionable dilution if it parodies the famous mark or the goods or services

\textsuperscript{114} See 15 U.S.C. § 1125(c); Roe, \textit{supra} note 13, at 573.
\textsuperscript{115} See \textit{New Kids on the Block}, 971 F.2d at 308.
\textsuperscript{116} See 353 F.3d at 808.
\textsuperscript{117} See \textit{id.} at 796. An example of one of the artist’s works was his “Fondue a la Barbie,” which depicts Barbie heads in a fondue pot. \textit{Id.}
\textsuperscript{118} See \textit{id.} at 808–12 (using the nominative fair use and not the artistic relevance test because a trade dress, not trademark, was involved). The artist was referring to Barbie as a point of reference, and as such, his use of the trade dress in Mattel fit within the nominative fair use exception. \textit{See id.} In cases of nominative fair use, there is no concern for likelihood of confusion regarding the sponsorship or endorsement of a product because the mark is in fact describing plaintiff’s product. \textit{See} Brother Records, Inc. v. Jardine, 318 F.3d 900, 907–08 (9th Cir. 2003).
\textsuperscript{119} See \textit{New Kids on the Block}, 971 F.2d at 305–06.
\textsuperscript{120} See 4 \textit{McCarthy}, \textit{supra} note 15, § 23:11.
\textsuperscript{121} 15 U.S.C. § 1125(c) (1), (3) (A) (2006).
\textsuperscript{122} See \textit{id.} § 1125(c) (3) (A) (ii); \textit{Gunnell, supra} note 31, at 442. With parody now a bright line exception, a consistent definition of parody in a dilution context is vital and will be discussed in Part V. \textit{See infra} notes 310–322 and accompanying text. It is important to note that if a diluter uses the mark as his own source designation, then a parody defense would not apply as the statute forbids fair use when the mark is used as its own source designation. \textit{See Haute Diggity Dog}, 507 F.3d at 266.
\textsuperscript{123} 15 U.S.C. § 1125(c) (3) (A) (ii).
of the mark owner. Courts have not addressed whether the mark must be the target or merely a weapon of the parody. In 2007, the U.S. Court of Appeals for the Fourth Circuit in *Louis Vuitton Malletier S.A. v. Haute Diggity Dog* defined parody as “a simple form of entertainment conveyed by juxtaposing the irreverent representation of the trademark with the idealized image created by the mark’s owner.” The court explained that the parody must convey that it is the original but at the same time not the original and instead, a parody. In indicating the mark is a parody, it must not only differentiate the parody from the original mark, but must also communicate “satire, ridicule, joking, or amusement.” This somewhat complex definition of parody has been relied upon by other courts. The definition, however, bears no mention of the extent to which the mark must be the subject of the parody. With the broadening of the fair use defense to include nominative fair use and an unclear understanding of parody, artists may have greater protection.

D. Comparison of the TDRA Defenses to Trademark Infringement’s Artistic Relevance Test

Although trademark infringement and dilution both recognize the nominative fair use defense, only trademark infringement law specifically addresses use of a trademark in an artistic context. In contrast to trademark dilution law’s balancing of the public’s interest with that of the mark owners’ via the TDRA exemptions, courts in the trademark

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124 See id.; Smith, 537 F. Supp. 2d at 1340 (finding that defendant’s domain names and website merchandise analogizing Wal-Mart to Nazis and al-Qaeda were parodic works considered noncommercial speech and therefore not subject to Wal-Mart’s trademark dilution claims).

125 See Walking Mountain Prods., 353 F.3d at 812; Smith, 537 F. Supp. 2d at 1316; Gunnell, supra note 31, at 468–69; Richard A. Posner, *When Is Parody Fair Use?*, 21 J. LEGAL STUD. 1, 67 (1992) (arguing that fair use should provide a defense to copyright infringement only if the parody uses the work as a target).

126 507 F.3d at 260.

127 Id.

128 Id. (noting that a parody relies upon a difference from the original mark, presumably a humorous difference).

129 See Starbucks Corp., 588 F.3d at 113; Smith, 537 F. Supp. 2d at 1316.

130 See Haute Diggity Dog, 507 F.3d at 260 (noting that the Louis Vuitton handbags are the target of the imitation of the parody, but only to assure that the parody represents the original mark); Gunnell, supra note 31, at 465–68. But see Burstein, supra note 7, at 1244 (interpreting the TDRA parody exclusion to mean that the parodist must actually target the mark).

131 See supra notes 107–130 and accompanying text.

132 See Rogers v. Grimaldi, 875 F.2d 994, 999 (2d Cir. 1989).
infringement context have recognized the existence of an Artistic Relevance Test that balances the public interest in avoiding consumer confusion with the public interest in free expression. In the landmark 1989 decision Rogers v. Grimaldi, the U.S. Court of Appeals for the Second Circuit introduced the Artistic Relevance Test to balance an artist’s rights to free expression with the mark holder’s rights under the Lanham Act. In Grimaldi, the Second Circuit concluded that the Lanham Act does not apply to artistic works unless the public interest in avoiding consumer confusion outweighs the public interest in free expression. That balance will normally not support application of the Lanham Act unless the title—or artistic work in general—has no artistic relevance to the work, or, if it has some artistic relevance, unless the title misleads as to the source or content of the work. The Artistic

133See id.; Michael Grynberg, The Judicial Role in Trademark Law, 52 B.C. L. REV. 1283, 1308–09 (2011) (noting that when a claim is based on a trademarked brand in art, courts construct balancing tests to address First Amendment concerns). There have been two other tests that address First Amendment concerns: the likelihood of confusion test and the alternative avenues test. See Parks v. LaFace Records, 329 F.3d 437, 447 (6th Cir. 2003). Under the likelihood of confusion test, the court asks whether the alleged infringement was likely to cause public confusion as to the source or sponsor of a particular good or service. See id. at 445, 447; Dallas Cowboys Football Club, Ltd. v. Am.’s Team Props., Inc., 616 F. Supp. 2d 622, 636 (N.D. Tex. 2009). This test has been reserved, however, for traditional trademark cases where artistic use is not at issue, as it does not always adequately give weight to First Amendment interests. See Parks, 329 F.3d at 447–49. Under the alternative avenues test, a title of an expressive work will not be protected if there are sufficient alternative means for an artist to convey his or her idea. See Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd., 604 F.2d 200, 206 (2d Cir. 1979) (finding that a company releasing a pornographic film had other available avenues of expressing their message). This approach has been rejected on the basis that it calls for courts to suggest that artists could just have easily expressed their message without using the mark. See Parks, 329 F.3d at 450.

134See 875 F.2d at 999 (creating a test that would more sufficiently accommodate public interest in free expression). In the case, actress Ginger Rogers sued an artist, who used her name in the title of a fictional movie, for trademark infringement. See id. at 996.

135See id. at 999. This test has been adopted by panels in the U.S. Courts of Appeals for the Second, Fifth, Sixth, Ninth, and Tenth Circuits as the most appropriate way of balancing the competing interests of artists and trademark holders. See Parks, 329 F.3d at 1742; MCA Records, 296 F.3d at 902; Sugar Busters LLC v. Brennan, 177 F.3d 258, 269 (5th Cir. 1999); Cardtoons, L.C. v. Major League Baseball Players Ass’n, 95 F.3d 959, 971 (10th Cir. 1996); Cliffs Notes, Inc. v. Bantam Doubleday Dell Publ’g Grp., Inc., 886 F.2d 490, 495 (2d Cir. 1989); Kerry Timbers & Julia Huston, The “Artistic Relevance Test” Just Became Relevant: The Increasing Strength of the First Amendment as a Defense to Trademark Infringement and Dilution, 93 TRADEMARK REP. 1278, 1290–95 (2003).

136See Cliffs Notes, 886 F.2d at 495 (holding that the Rogers balancing approach extends beyond titles and is more broadly applicable to Lanham Act claims against works of artistic expression); Grimaldi, 875 F.2d at 999. Under the first prong of the test, First Amendment protection is guaranteed unless the use of the trademark has zero artistic relevance to the work as a whole. See Grimaldi, 875 F.2d at 999. The second prong of the test states that even
Relevance Test operates under the rationale that artistic expression is a form of speech owed special protection under the First Amendment, but not absolute immunity. The TDRA’s rigid defenses, on the other hand, bear no recognition to the limits of artistic expression.

II. ARTISTIC EXPRESSION AND COPYRIGHT LAW

Unlike the broad statutory exclusions under the TDRA, the Copyright Act uses a four factor “fair use” test to ensure that First Amendment concerns are met. The U.S. Supreme Court has held that the fair use doctrine fully accommodates the tension between copyright protection and free speech. This test, as well as the artistic relevance test, allows courts to conduct a more flexible analysis than is permitted by the stone-carved statutory exceptions shielding artists from liability in the TDRA. This Part continues to address the tension between First Amendment rights and intellectual property rights by reference to the fair use balancing test in copyright law.

A. Copyright Infringement and the Fair Use Defense

Just as dilution by tarnishment protects the goodwill investment of mark holders, copyright protection similarly extends to an author’s...
honor and reputation.\textsuperscript{143} Section 106 of the Copyright Act confers exclusive rights to the copyright owner.\textsuperscript{144} A prima facie claim of copyright infringement requires the ownership of a valid copyright and the copying of original elements of the work.\textsuperscript{145}

The Copyright Act’s fair use doctrine adequately balances the constitutional grant of copyright protection with free speech under the First Amendment.\textsuperscript{146} Despite the constitutional right, some critics still argue that copyright law restricts speech.\textsuperscript{147} First Amendment protections, however, already exist in the Copyright Act’s distinction between copyrightable expression and uncopyrightable facts and ideas.\textsuperscript{148} Also, the Supreme Court has made clear that the First Amendment is not a shield for copyright infringement, explaining that any tension that may lie between free speech and copyright law can be properly addressed by the fair use doctrine.\textsuperscript{149}

The fair use doctrine in copyright law is more flexible than the statutory fair use defense for trademark dilution by tarnishment.\textsuperscript{150} Pursuant to section 107 of the Copyright Act, fair use of a copyrighted work is not an infringement.\textsuperscript{151} Although a descriptive or nominative use of a mark is automatically considered fair use under the TDRA, fair use un-

\begin{itemize}
\item[\textsuperscript{143}] 17 U.S.C. §§ 102(a), 106A (2006) (providing that works of authorship include literary, musical, pictorial, and graphic works among others); Goldsmith, supra note 36, at 826; Roe, supra note 13, at 604 (comparing tarnishment coverage with copyright law’s moral rights doctrine). \textit{But see} Roe, supra note 13, at 571 (noting that unlike copyrights, trademarks do not offer the mark owner a monopoly and do not benefit the public like copyrights).
\item[\textsuperscript{144}] 17 U.S.C. § 106. Subject to section 102, however, an author may not copyright facts or ideas—only “expression”—that display[s] the stamp of the author’s originality. \textit{Harper & Row Publishers, Inc.}, 471 U.S. 539 at 547; \textit{see} 17 U.S.C. § 102(a). The dividing line between idea and expression strikes a proper balance between the Copyright Act and the First Amendment because it protects expression and allows the dissemination of facts and ideas. \textit{See Harper & Row Publishers}, 471 U.S. at 556.
\item[\textsuperscript{146}] \textit{See} Harper & Row Publishers, 471 U.S. at 546–47. The rights conferred by copyright are designed to assure these contributors to society a fair return for their work. Twentieth Century Music Corp. v. Aiken, 422 U.S. 151, 156 (1975). The Constitution states, “The Congress shall have Power . . . to promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.” U.S. Const. art. I, § 8.
\item[\textsuperscript{148}] \textit{See} Harper & Row Publishers, 471 U.S. at 547, 556.
\item[\textsuperscript{149}] \textit{See id.} at 547.
\item[\textsuperscript{150}] \textit{See Koons}, 960 F.2d at 308. Fair use under the TDRA includes nominative and descriptive use; both are affirmative defenses that require no balancing test. \textit{See} 15 U.S.C. § 1125(c)(3)(A) (2006).
\end{itemize}
der copyright law is determined through a four-factor balancing test.\textsuperscript{152} These factors are (1) the purpose and character of the use, (2) the nature of the copyrighted work, (3) the amount of the portion used, and (4) the effect the use has upon the potential market for or value of the copyrighted work.\textsuperscript{153}

B. Artist Failing Under a Fair Use Defense: Rogers v. Koons

The U.S. Court of Appeals for the Second Circuit’s 1992 decision \textit{Rogers v. Koons} illustrates the superior treatment that copyright owners may receive under copyright law as opposed to trademark holders under dilution by tarnishment law.\textsuperscript{154} In that case, an artist, Jeff Koons, was found liable for copyright infringement for using a copyrighted photograph as the basis of his sculpture.\textsuperscript{155} Art Rogers, a photographer of little renown, brought suit against Jeff Koons.\textsuperscript{156} He accused Koons of infringement of his copyrighted photograph “Puppies” from which Koons, aware of the copyright, created his sculpture “String of Puppies.”\textsuperscript{157} Koons displayed the sculpture at a gallery and sold four copies of the work.\textsuperscript{158} Rogers satisfied the prima facie elements of the claim—that he owned the copyright and that Koons copied the protected material without authorization.\textsuperscript{159} Then, the court held that Koons’s use was not exempt from liability under the fair use doctrine.\textsuperscript{160}

Under the first fair use factor—purpose and character of the use—the court examined the commercial nature of Koons’s work and whether it was a parody or satire.\textsuperscript{161} In finding that Koons’s sculpture was commercial in nature, the court noted that copies made for “commercial or profit-making purposes are presumptively unfair.”\textsuperscript{162} The “crux of the profit/nonprofit distinction is \textit{not whether the sole motive of the use is monetary gain} but whether the user stands to profit from exploi-
tation of the copyrighted material without paying the customary price.” Despite the artistic nature of Koons’s sculpture, he profited from the copying so the court held that his use was commercial in nature and against a finding of fair use. Conversely, under the TDRA interpretation of commerciality, a court would find Koons’s work as noncommercial because of dilution law’s focus on whether the work is purely commercial.

Having deemed the sculpture commercial, the court turned to the next question under the first factor: whether the work was a parody of the copyrighted photograph. The court defined parody as when an artist, for comic effect or social commentary, closely imitates the style of another artist, creating a new artwork that ridicules the style and expression of the original. The court acknowledged that the criticism in parodic works fosters creativity and free expression, but held that for a work to be a parody, the copied work must be at least in part an object of the parody. The court concluded that although the work was a satirical critique of our materialistic society, it did not necessarily parody Rogers’s photograph itself.

This parody analysis bears no resemblance to that of the parody analysis in the trademark dilution cases. Here, the court asked whether the potential infringer used the copied work as the target of

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163 See id. (emphasis added) (quoting Harper & Row Publishers, 471 U.S. at 562). The logic underlying this analysis is opposite that in determining whether a work is noncommercial in a dilution by tarnishment claim where a work is deemed noncommercial if it does any more than propose a commercial transaction. See Smith v. Wal-Mart Stores, Inc., 537 F. Supp. 2d 1302, 1339 (N.D. Ga. 2008).

164 Koons, 960 F.2d at 309.

165 See Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894, 906 (9th Cir. 2002).

166 Koons, 960 F.2d at 309–10.

167 Id.

168 Id. at 310.

169 Id. The remaining three factors all militated against a finding of fair use. See id. at 309. The second factor—the nature of the copyrighted work—led the court to conclude that it went against fair use because the copyrighted work was one of original expression that Rogers used to gain a financial return. Id. The third factor included the amount and substantiality of the work used. Id. at 308, 310–11. The copied work was the essence of Koons’s photograph and also militated against a finding of fair use. Id. at 310–11. The last factor—the effect of the use on the market value of the original—led the court to conclude that Koons’s intention to create String of Puppies to generate high profits would harm future earning potential of Rogers’s photograph. Id. at 311–12.

170 Compare Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC, 507 F.3d 252, 260 (4th Cir. 2007) (defining parody as a form of entertainment “conveyed by juxtaposing the irreverent representation of the trademark with the idealized image created by the mark’s owner”), with Koons, 960 F.2d at 310 (stating that the copied work must be an object of the parody).
the parody, otherwise “there would be no need to conjure up the original work.” 171 In the trademark dilution context, on the other hand, a parody is defined as a form of entertainment conveyed by juxtaposing the representation of the mark with the image created by the owner. 172 Nothing in the trademark dilution version of parody requires that the mark be the target of the parody. 173

III. ARTISTIC EXPRESSION AND THE RIGHT OF PUBLICITY

As with trademark dilution, trademark infringement, and copyright infringement, there is an inherent tension between one’s right of publicity and the right to freedom of expression under the First Amendment. 174 This Part examines the manner in which courts balance the right of publicity with First Amendment concerns in cases of artistic expression. 175

A. Right of Publicity and Artistic Expression

Like copyright and trademark law, the right of publicity is an intellectual property right. 176 Unlike the federal copyright and trademark protections, however, the right of publicity is only recognized at state law. 177 It has been defined as the “inherent right of every human being to control the commercial use of his or her identity.” 178 The right of publicity protects the time and energy one spends in building a name and image, and a violation of this right occurs when someone uses recognizable characteristics of an individual’s persona on products or for advertising or selling such products without permission. 179

About half the states explicitly recognize a right of publicity, 180 and when a plaintiff’s identity is used in an expressive work, courts have

171 See Koons, 960 F.2d at 310.
172 See Haute Diggity Dog, 507 F.3d at 260.
173 Id.
174 See ETW Corp. v. Jireh Publ’g, Inc., 332 F.3d 915, 931 (6th Cir. 2003).
175 See infra notes 176–201 and accompanying text.
176 See 5 McCarthy, supra note 15, § 28:41.
177 See ETW Corp., 332 F.3d at 919; Parks v. LaFace Records, 329 F.3d 437, 459 (6th Cir. 2003).
178 See ETW Corp., 332 F.3d at 928.
179 See Haelan Labs., Inc. v. Topps Chewing Gum, Inc., 202 F.2d 866, 868 (2d Cir. 1953); Comedy III Prods., Inc. v. Gary Saderup, Inc., 21 P.3d 797, 801 (Cal. 2001); Thomas Phillip Boggess, Cause of Action for an Infringement on the Right of Publicity, in 31 Causes of Action 2d 121, 144 (Clark Kimball & Mark Pickering eds., 2006).
balanced an individual’s proprietary right of publicity with an artist’s First Amendment right to free expression. California, for example, has used a “transformative” test to determine whether an artist added enough new elements to his works to avoid liability under right of publicity doctrine. When the artwork is a literal depiction—lacking any transformative elements—of a celebrity for commercial gain, the right of publicity of the celebrity outweighs the expressive interests of the artist.

Just as companies have a right to control their marks and creators of original works hold rights to their ideas, every human being has the right to control the commercial use of his identity. In this respect, trademark dilution theory’s attempt to protect the goodwill investment of mark holders finds its parallel in the right of publicity’s purpose of safeguarding the individual’s “enjoyment of the fruits of her labors . . . and preventing unjust enrichment.” Despite these similar interests, there is a more carefully constructed balance between the right of publicity and the First Amendment than in dilution by tarnishment where the Lanham Act ingrains its First Amendment protections through statutorily defined affirmative defenses.

Another difference in the two doctrines lies in the fame of the celebrity or mark. Unlike the TDRA, in right of publicity doctrine there is no fame requirement that a claimant must meet to have a cause of action.

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181 See ETW Corp., 332 F.3d at 931; Parks, 329 F.3d at 461; Comedy III Prods., 21 P.3d at 810; 5 McCarthy, supra note 15, § 28:41. But see Eugene Volokh, Freedom of Speech and the Right of Publicity, 40 Hous. L. Rev. 903, 929 (2003) (opposing the right of publicity as unconstitutionally constricting the right to free speech). These balancing tests vary from state to state yet serve the same purpose of balancing the state law interest with the interest in free expression. 5 McCarthy, supra note 15, § 28:41. One court has used a “predominant use” test which examines whether the predominant use of the work is commercial or expressive. See Doe v. McFarlane, 207 S.W.3d 52, 57, 59 (Mo. Ct. App. E.D. 2006) (holding that the defendant’s comic book, which featured a fictional character based on a professional hockey player, was not protected as free speech because the primary use of the plaintiff’s identity was commercial and not expressive).

182 See Comedy III Prods., 21 P.3d at 808–10. In addition to the transformative test, First Amendment concerns are also met by a California statute that exempts from right of publicity claims any use in connection with news, public affairs, sports broadcast, or political campaign, as well as expressive works such as plays, newspapers, films, and single and original works of art. Cal. Civ. Code § 3344.1 (West 2011).

183 See id. at 954; Roberta Rosenthal Kwall, The Right of Publicity vs. the First Amendment: A Property and Liability Rule Analysis, 70 Ind. L.J. 47, 54 (1994).

184 See id. at 954; Roberta Rosenthal Kwall, The Right of Publicity vs. the First Amendment: A Property and Liability Rule Analysis, 70 Ind. L.J. 47, 54 (1994).

185 See 15 U.S.C. § 1125(c) (3) (A) (2006); ETW Corp., 332 F.3d at 931, 937–38 (weighing Tiger Woods’s right of publicity against an artist’s work, and finding in favor of the artist).

186 See id. at 954; Roberta Rosenthal Kwall, The Right of Publicity vs. the First Amendment: A Property and Liability Rule Analysis, 70 Ind. L.J. 47, 54 (1994).

187 See 15 U.S.C. § 1125(c) (2) (A); Boggess, supra note 179, at 144, 179.
The level of fame is simply an indicator of how much damage defendant’s use will do to the commercial value of that persona.\textsuperscript{189}

Each doctrine’s analysis of commerciality also differs.\textsuperscript{190} In both right of publicity and trademark dilution law, an artist does not lose First Amendment protection just because part of the artist’s expressive work was created for a commercial purpose.\textsuperscript{191} But unlike dilution by tarnishment, if a work is deemed a form of noncommercial speech in a right of publicity claim, it is not immediately immune from liability.\textsuperscript{192}

B. Noncommercial Yet Unprotected?: A Test for Transformity in Comedy III Productions v. Gary Saderup, Inc.

In \textit{Comedy III Productions, Inc. v. Gary Saderup, Inc.}, the California Supreme Court in 2001 found that the First Amendment did not protect an artist’s work despite being noncommercial speech.\textsuperscript{193} The court used the “transformative” test to balance the right of publicity with First Amendment concerns.\textsuperscript{194} There, a production company that owned the rights to the Three Stooges comedy act sued an artist for his depiction of the Three Stooges which was reprinted as lithographs and on t-shirts for sale.\textsuperscript{195} Although the court acknowledged that the portraits were sold for financial gain, it categorized them as noncommercial speech.\textsuperscript{196} Nevertheless, the court noted that not “all expression that trenches on

\textsuperscript{188}See Boggess, \textit{supra} note 179, at 144 (listing elements of a right of publicity claim and not including any fame requirement), 179 (noting that damages for infringement can be determined for both famous and unknown people).

\textsuperscript{189}See \textit{Restatement (Third) of Unfair Competition § 46 (1995)}. Another difference between the two areas of law is that in right of publicity cases, even if the infringing work is expressive, such uses may not be protected if the name or likeness is only used to attract attention to a work unrelated to the identified person. See \textit{ETW Corp.}, 332 F.3d at 930–31. Similarly, unlike dilution law where parody has been statutorily added as a defense, whether parody can serve as a defense to right of publicity claims is a controversial issue. See 5 \textit{McCarthy, supra} note 15, § 28:41.

\textsuperscript{190}See \textit{infra} notes 191–192 and accompanying text.

\textsuperscript{191}See Hoffman v. Capital Cities/ABC, Inc., 255 F.3d 1180, 1185 (9th Cir. 2001); \textit{Comedy III Prods.}, 21 P.3d at 802. Any commercial aspects that are “inextricably entwined” with a work’s expressive elements will not make the work ineligible for First Amendment protection as free speech. See \textit{Hoffman}, 255 F.3d at 1185 (quoting \textit{Gaudiya Vaishnava Soc’y v. City & Cnty. of S.F.}, 952 F.2d 1059, 1064 (9th Cir. 1990)).

\textsuperscript{192}See \textit{Comedy III Prods.}, 21 P.3d at 804; \textit{infra} notes 193–201 and accompanying text.

\textsuperscript{193}See \textit{id}. at 811.

\textsuperscript{194}Id. at 808.

\textsuperscript{195}Id. at 800.

\textsuperscript{196}See \textit{id}. at 802 (finding that an expressive work will not lose constitutional protection if it was done for financial gain).
the right of publicity receives such protection.”\textsuperscript{197} Rather than immediately shielding the expressive works under the First Amendment, the court looked to the fair use doctrine from copyright law, focusing on the first factor of that test: “purpose and character of the use.”\textsuperscript{198} Drawing on the first factor, the court turned its inquiry to whether the artist’s work was transformative.\textsuperscript{199} Applying this “transformative” test to the facts, the court held that the artist’s images of the Three Stooges were not protected by the First Amendment because they were literal depictions lacking any transformative elements.\textsuperscript{200} Thus for the right of publicity, First Amendment protection can be raised as a defense for non-commercial works, but under the “transformative” test, only to the extent that the expressive work contains transformative elements.\textsuperscript{201}

IV. DEFICIENCIES IN THE CURRENT ANALYTICAL FRAMEWORK FOR DILUTION BY TARNISHMENT

Under current dilution law, artist Max Papeschi would wrongly avoid liability for his abuse of Disney trademarks in his art.\textsuperscript{202} The rather stark contrast of a Disney trademark juxtaposed with a swastika is strikingly tarnishing to the Disney icon.\textsuperscript{203} The artist has even said that his Mickey Mouse loses its “reassuring effect and change[s] into a collective nightmare” in his work.\textsuperscript{204}

\textsuperscript{197} Id. at 804.

\textsuperscript{198} Id. at 808. This test is based on the first factor of the copyright fair use test—“purpose and character of the use”—because the purpose of that factor is to see if the new work adds something new and whether it is transformative. See Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 569 (1994).

\textsuperscript{199} See Comedy III Prods., 21 P.3d at 808 (noting that the purpose of the fair use factor is to see whether the work imubes the original work with new expression or meaning). The court believed the transformative quality of a work appropriately balanced the right of publicity with the First Amendment because the less transformative and more literal an artistic work is, the more the state’s interest in protecting an individual’s right to publicity outweighs the interests of the imitative artist. See id.

\textsuperscript{200} Id. at 811.

\textsuperscript{201} See id. at 810; see also ETW Corp., 332 F.3d at 937–38 (concluding that under the transformative test, Tiger Woods’s right of publicity is outweighed by the First Amendment rights of an artist who added significant creative elements to his painting, which was sold in limited-edition prints and featured Tiger Woods).

\textsuperscript{202} See 15 U.S.C. § 1125(c) (2006). By referring to Papeschi’s work, I am simply providing a visual example of an artist’s tarnishing use of a trademark and am not implying that the FTDA applies extraterritorially.

\textsuperscript{203} See id. § 1125(c) (2)(C).

\textsuperscript{204} See Grieshaber, supra note 2.
Despite clear tarnishment, no remedy would exist for Disney under the TDRA. In copyright law, if an original work is copied by an artist for purposes of criticism or comment, the use may be a fair use, but it is first subject to a four-factor test. In right of publicity cases, courts balance the right of publicity with First Amendment interests, using tests such as the transformative test from the California Supreme Court’s decision *Comedy III Productions v. Gary Saderup, Inc.* in 2001.

There is no such analysis in dilution by tarnishment cases. Instead, the broad defenses under the TDRA purportedly balance the public’s interest with that of the mark owners. Despite this built-in balancing of conflicting interests, however, application of the TDRA to expressive works will lead to an uneven balancing toward the artist. There are several facets of the TDRA that make it unable to properly regulate expressive works.

This Part highlights the ineffectiveness of the TDRA in regulating expressive works by examining four parts of the statute that make it inapplicable to uses outside the mainstream commercial market. Section A explains how the trademark use requirement allows artists to escape liability. Section B discusses the “famous mark” requirement as a barrier for mark holders of lesser known marks. Section C suggests that under the courts’ interpretations of the noncommercial use exemption, works of art will be protected from the statute’s scope despite their place in a commercial art world. Section D explains how the nominative fair use defense does not belong in tarnishment law and how this defense, as well as parody, tilts the TDRA in favor of artists.

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207 See 21 P.3d 797, 808 (Cal. 2001).
209 See Lockridge, supra note 13, at 369; Roe, supra note 13, at 585.
210 See Gulasekaram, supra note 10, at 887.
211 See infra notes 217–286 and accompanying text.
212 See infra notes 217–286 and accompanying text.
213 See infra notes 217–232 and accompanying text.
214 See infra notes 233–247 and accompanying text.
215 See infra notes 248–263 and accompanying text.
216 See infra notes 264–286 and accompanying text.
A. Use of Trademark Deficiency

The first way in which the TDRA allows artists to escape liability at the expense of mark holders is the trademark use requirement.\textsuperscript{217} To be liable for dilution, defendants must use marks as trademarks.\textsuperscript{218} Artists, however, use marks expressively and not as source indicators for their own artwork.\textsuperscript{219} An example of an artist using a famous trademark in a non-trademark manner is one who depicts Barbie in his photographs for purely artistic purposes rather than as a brand for his photographs.\textsuperscript{220} Similarly, Max Papeschi used the Mickey Mouse head not to serve as a trademark for his own work, but to comment upon society in an artistic manner.\textsuperscript{221} Conversely, an example of a trademark use is a coffee retailer using “Charbucks” marks on their coffee products, serving as a brand name for the coffee company’s retail products.\textsuperscript{222} The TDRA’s limitation to trademark uses ignores the fact that non-trademark uses (such as Papeschi’s Mickey Mouse) are just as dilutive as trademark uses.\textsuperscript{223} Nevertheless, in the case of “NaziSexyMouse,” Papeschi’s tarnishing use would fall outside the scope of the statute because his depiction of the Mickey Mouse mark does not function as a trademark.\textsuperscript{224}

The shield of artistic works resulting from a prohibition limited to trademark uses thwarts tarnishment theory’s broader goal—preventing the portrayal of a mark in an unwholesome context that tarnishes the reputation and goodwill investment in the famous mark.\textsuperscript{225} As consumer confusion is not the backbone to dilution theory, there is no rea-

\textsuperscript{217} See Burstein, supra note 7, at 1226 (discussing that under the TDRA only use as a mark or trade name is actionable).
\textsuperscript{218} See id.
\textsuperscript{220} Walking Mountain Prods., 353 F.3d at 796. The appearance of Barbie in the photographs was actually an issue of trade dress that refers to the visual appearance of a product that signifies its source. \textit{Id.} at 808. In addition to trademark dilution, the TDRA also applies to trade dress dilution. 15 U.S.C. § 1125(c)(4) (2006).
\textsuperscript{221} See Brothers, supra note 1.
\textsuperscript{222} Starbucks Corp. v. Wolfe’s Borough Coffee, Inc., 588 F.3d 97, 103 (2d Cir. 2009).
\textsuperscript{223} Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894, 901, 903–04 (9th Cir. 2002) (reasoning that although exempt under the noncommercial use exception of the TDRA, the non-trademark use of Barbie in a song title was dilutive); Eastman Kodak Co. v. D.B. Rakow, 739 F. Supp. 116, 118–19 (W.D.N.Y. 1989).
\textsuperscript{224} See 15 U.S.C. § 1125(c)(1); Burstein, supra note 7, at 1221.
\textsuperscript{225} See LaFrance, supra note 6, at 206–07.
son why non-trademark uses should be considered less tarnishing than trademark uses.\textsuperscript{226} Dilution law usually applies when parties do not operate in “competitive or closely related product lines,” so the requirement that the use be as a trademark has no bearing on the level of dilution.\textsuperscript{227}

The opposition to a trademark use requirement for all dilution actions in a draft of the TDRA suggests that perhaps the inclusion of a trademark use in the statutory interpretation was not even intended by Congress.\textsuperscript{228} One draft defined dilution by tarnishment as an “association arising from the similarity between a designation of source and a famous mark that harms the reputation of the famous mark.”\textsuperscript{229} This language in the draft was opposed as being overbroad and unnecessary, preventing claims for tarnishment when defendant’s use of the mark is not as a designation of source for its own goods.\textsuperscript{230} This language was removed before the TDRA passed in 2006, suggesting a win for trademark owners.\textsuperscript{231} Despite the removal of the “source designation” language, the statute has nevertheless been read to require the use to function as a trademark, thus providing a quick and concrete shield for artists.\textsuperscript{232}

\textsuperscript{227} See Malletier v. Dooney & Bourke, Inc., 561 F. Supp. 2d 368, 379 (S.D.N.Y. 2008); 4 McCarthy, supra note 15, § 24:72 (noting that anti-dilution theory was conceived to protect strong marks against a diluting use far removed from the area of commerce of the famous mark).
\textsuperscript{229} See H.R. Rep. No. 109-23, at 19 (emphasis added) (adopting a requirement that for a defendant’s use to be tarnishing, the defendant must use the mark as a means of identifying his own products); Burstein, supra note 7, at 1221.
\textsuperscript{232} See 15 U.S.C. § 1125(c)(1) (2006) (requiring “use of a mark or trade name”); Tiffany (NJ) Inc. v. eBay Inc., 600 F.3d 93, 112 (2d Cir. 2010); Burstein, supra note 7, at 1223–24. The use must be as a “mark” or “trade name” and the Lanham Act defines mark to include any name used by a person to identify his business, and trade name to include any trademark used to indicate the source of goods. 15 U.S.C. § 1125(c); supra notes 73–75 and accompanying text.
B. Nationally Famous Mark Deficiency

A second way the TDRA provides too much protection for artists is the requirement that the mark be nationally famous.\(^{233}\) By hinging fame on whether a mark “is widely recognized by the general consuming public of the United States,” the TDRA fails to cover an entire category of marks that would have received protection under the FTDA.\(^{234}\) Most courts no longer consider a mark famous if it is well known in merely one geographic region or a market niche.\(^{235}\) With the scope of fame much narrower than it was under the FTDA, mark holders with lesser known marks are unprotected despite the money and effort they invested in the selling power of their mark.\(^{236}\)

Some scholars opine that the new fame requirement helps prevent the over protection of marks.\(^{237}\) As some commentators see it, the TDRA benefits mark holders by not requiring a demonstration of consumer confusion, and the fame requirement is a counterweight to this concession to mark holders.\(^{238}\) But the TDRA already contains a strong set of affirmative defenses that will excuse diluters from liability.\(^{239}\) The primary dilution by tarnishment theory of preventing the tarnishment of a mark’s quality is thwarted if regionally well-known marks are precluded from receiving TDRA protections solely on account of the national fame requirement.\(^{240}\) By no longer allowing fame in a niche market to suffice, tarnishment within a smaller scope is effectively ignored.\(^{241}\)

\(^{233}\) See 15 U.S.C. § 1125(c)(2); supra notes 76–87 and accompanying text.

\(^{234}\) See 15 U.S.C. § 1125(c)(2)(A); Thane Int’l, Inc. v. Trek Bicycle Corp., 305 F.3d 894, 908 (9th Cir. 2002) (finding plaintiff’s operation in a narrow market sufficient under the FTDA).\(^{235}\)

\(^{235}\) See Top Tobacco, L.P. v. N. Atl. Operating Co., 509 F.3d 380, 384 (7th Cir. 2007) (stating that the 2006 TDRA “eliminated any possibility of ‘niche fame,’ which some courts had recognized before the amendment”).\(^{236}\)

\(^{236}\) See Starbucks Corp., 588 F.3d at 105; Bd. of Regents, Univ. of Tex. Sys. ex rel. Univ. of Tex. at Austin v. KST Elec., Ltd., 550 F. Supp. 2d 657, 677–79 (W.D. Tex. 2008). Determining the level of fame has been a source of controversy and as some courts have still looked at FTDA case law to determine the strength of a mark, perhaps the appropriate standard has not yet been reached. See Pet Silk, Inc. v. Jackson, 481 F. Supp. 2d 824, 830 (S.D. Tex. 2007) (looking to the FTDA and holding that Pet Silk has name recognition in the pet supply and dog grooming market, and noting that the U.S. Court of Appeals for the Fifth Circuit has held that market fame is sufficient); Roe, supra note 13, at 601.\(^{237}\)

\(^{237}\) See, e.g., Gunnell, supra note 31, at 450.

\(^{238}\) See, e.g., id.


\(^{240}\) See KST Elec., 550 F. Supp. 2d at 675; Schechter, supra note 41, at 825.

\(^{241}\) See Burstein, supra note 7, at 1217–18 (stating that several cases have already been denied relief because the plaintiff’s mark was not sufficiently famous).
It is clear that the more famous the mark is, the more that mark has at stake in terms of having its reputation tarnished, but this does not mean that national fame should be a requirement. Proving national fame can be difficult for mark holders: for example, the U.S. District Court for the Western District of Texas held that the University of Texas’s longhorn silhouette logo was not nationally famous in the 2008 case Board of Regents, University of Texas System ex rel. University of Texas at Austin v. KST Electric Ltd. Further, negative associations can still result in injury to the reputation, and thus selling power, of the mark that is merely famous in a niche market. State anti-dilution laws only require that the mark have sufficient distinctiveness and do not require the same level of fame as the TDRA. Goodwill investment in the creation and maintenance of a trademark is motivated by the expectation that all mark holders will enjoy returns from their investments. If dilution protection only extends to nationally famous marks, then mark holders in niche markets may lose the motivation to make such investments.

C. Noncommercial Use Complications

The TDRA’s noncommercial use exclusion is the third way the TDRA prevents mark holders from protection against artists. It is true that the Lanham Act was not intended to extend protection beyond the boundaries of commercial speech, and that expressive works are de facto forms of noncommercial speech safeguarded under the First Amendment. But new technologies and evolving methods of advertising and selling products complicate the rigid interpretation of

\[\text{\textsuperscript{242}} \text{Compare Malletier, 561 F. Supp. 2d at 391 (requiring national fame), and Nike, Inc., v. Nikepal Int'l, Inc., No. 2:050cv01468-GB-JFM, 2007 WL 2782030, at *5–6 (E.D. Cal. Sept. 18, 2007) (requiring national fame), with ETW Corp. v. Jireh Publ'g, Inc., 332 F.3d 915, 953 (6th Cir. 2003) (noting that the possession of a right of publicity should not depend on one’s celebrity status but rather that celebrity status is relevant for purposes of determining the economic value of the plaintiff’s identity).}\]
\[\text{\textsuperscript{243}} \text{See KST Elec., 550 F. Supp. 2d at 675.}\]
\[\text{\textsuperscript{244}} \text{See id. at 675, 678.}\]
\[\text{\textsuperscript{245}} \text{See LAFRANCE, supra note 6, at 208–09 (noting, however, that states have been following the trend to incorporate some “fame” requirement into their statutes in order to conform to the federal statute).}\]
\[\text{\textsuperscript{246}} \text{See TONY MARTINO, TRADEMARK DILUTION 81 (1996).}\]
\[\text{\textsuperscript{247}} \text{See id.}\]
\[\text{\textsuperscript{248}} \text{See Timbers & Huston, supra note 135, at 1294–95 (noting that the “purely commercial speech” reasoning could “viti ate the federal dilution statute for artistic works”); infra notes 249–263 and accompanying text.}\]
\[\text{\textsuperscript{249}} \text{See MCA Records, 296 F.3d at 904; Goldsmith, supra note 36, at 861.}\]
the TDRA’s noncommercial use exception.\textsuperscript{250} When the present non-commercial use exception is applied to “NaziSexyMouse,” it is clear that Papeschi would be able to freely use the Disney mark.\textsuperscript{251} Courts would likely acknowledge the commercial profits from the sale and advertising of Papeschi’s work, but then they would also recognize that, in line with prior cases, such profits do not overpower the noncommercial aspects of the artwork.\textsuperscript{252} Thus the commercial nature of Papeschi’s advertisement would have no bearing on the rigid interpretation of the noncommercial use defense.\textsuperscript{253}

Such an interpretation enables courts to protect, as noncommercial uses, expressive works that use a mark to generate commercial profit because their purpose is not “purely commercial.”\textsuperscript{254} But the evolving relationship between art and commercialism renders the “purely commercial purpose” reasoning moot.\textsuperscript{255} As commercialism in artistic works increases, this boundary between commercial and noncommercial uses blurs, making it harder to determine the primary purpose in creating the work.\textsuperscript{256} An expressive work with some commercial purpose should no longer be automatically exempted under the TDRA as “noncommercial.”\textsuperscript{257} Artworks which generate millions in revenue via public auctions and commercial advertising should receive the same treatment as a company using a mark for commercial, advertising purposes.\textsuperscript{258} In today’s world, artists stand to profit from their creations, and at times this profit is at the expense of the holders of famous marks.\textsuperscript{259} With such a

\textsuperscript{250} See MCA Records, 296 F.3d at 906 (noting that the line between commercial and noncommercial speech is not clearly delineated); Gulasekaram, supra note 10, at 887, 933, 940 (discussing the increasingly commercial role of film and the pressure it places on the commercial/noncommercial boundary); Joern, supra note 6, at 293.


\textsuperscript{252} See MCA Records, 296 F.3d at 905–06; Smith, 537 F. Supp. 2d at 1339.

\textsuperscript{253} See Walking Mountain Prods., 353 F.3d at 812; Lockridge, supra note 13, at 355–56.

\textsuperscript{254} See Walking Mountain Prods., 353 F.3d at 796; MCA Records, 296 F.3d at 905; Gunnell, supra note 31, at 455–56.

\textsuperscript{255} See infra notes 256–263 and accompanying text.

\textsuperscript{256} See Gulasekaram, supra note 10, at 941–42; Auction Results for Damien Hirst’s Beautiful Inside My Head Forever Evening Sale, Sotheby’s, http://www.sothebys.com/app/live/lot/LotResultsDetailList.jsp?event_id=28883&sale_number=L08027 (last visited Mar. 1, 2012). In 2008, Sotheby’s held an evening sale for the works of one contemporary artist, Damien Hirst. See id. The artist earned £70,545,100 for the sale of his works alone. See id.

\textsuperscript{257} See Kinsella, supra note 105, at 98–99.

\textsuperscript{258} See id. at 98–99, 103 (noting the way in which contemporary artists treat their works as brands).

\textsuperscript{259} See Walking Mountain Prods., 353 F.3d at 812; Parks v. LaFace Records, 329 F.3d 437, 441 (6th Cir. 2003).
broad exception applying to all expressive works, even those with commercial aspects, artists will escape liability until courts become cognizant of the commercially evolving market for art. Unless courts do that, the noncommercial use exception will pose a problem and should either be eliminated from the TDRA as an affirmative defense or used as a factor in a fair use balancing test. By retaining noncommercial use as an affirmative defense, Congress has predetermined that the expressive value of a work containing some commercial aspects always outweighs the risk of commercial harm. This predetermination is not only premature in light of the fuzzy line between commercial and noncommercial uses, but an outlier in the field of intellectual property.

D. The Parody and Nominative Fair Use Deficiency

Not only is the noncommercial use exception unnecessarily blocking mark holders from protection, but the addition of parody as an affirmative defense also renders the noncommercial use defense redundant in the context of expressive works. Under the FTDA, there was no parody exception so courts used the noncommercial use exception as a tool to protect parodies from liability. Although parody is its own exception today, courts still use the noncommercial use exception to protect parodies. But parody’s possession of its own affirmative de-

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260 See L.L. Bean, Inc. v. Drake Publ’g, Inc., 625 F. Supp. 1531, 1537–38 (D. Me. 1986) rev’d sub nom. L.L. Bean, Inc. v. Drake Publishers, Inc., 811 F.2d 26 (1st Cir. 1987) (finding that plaintiff’s trademark is in the nature of a property right and does not need to yield to First Amendment rights, and that if injunctive relief were not available to prevent dilution of a trademark, then any unauthorized use of a mark would be without remedy). The original 2005 bill did not contain the noncommercial use exception. H.R. Rep. No. 109-23, at 2. Instead, the draft bill contained a parody exception, and a representative stated that it adequately managed to balance the rights of trademark holders and the First Amendment. See 151 Cong. Rec. 2123 (2005); Lockridge, supra note 13, at 350 (noting that although the bill did not have a noncommercial use exception, it had an exclusion for parodying, criticizing, or commenting upon the mark). Advocates of the bill containing only the parody exception believed the noncommercial use exception was precarious in its calling for courts to distinguish commercial and noncommercial speech. See Joern, supra note 6, at 293.

261 See Koons, 960 F.2d at 308; Comedy III Prods., 21 P.3d at 804.

262 See Lockridge, supra note 13, at 369.

263 See Koons, 960 F.2d at 308; Rogers v. Grimaldi, 875 F.2d 994, 999 (2d Cir. 1989); Comedy III Prods., 21 P.3d at 804.

264 See 15 U.S.C. § 1125(c) (3) (2006); Joern, supra note 6, at 293–95.


fense renders continued judicial reliance on the noncommercial use exception both unnecessary and unfair to mark holders.267

An additional implication of the parody exclusion arises from the unclear interpretation of parody resulting in an unfair benefit to defendants over mark holders.268 Courts have varied in their interpretations of parody, allowing artists to grasp onto the defense even if their work does not specifically parody the famous mark.269 The inclusion of parody under the fair use umbrella provides blanket coverage to artists.270 Now that parody is a separate affirmative defense to dilution claims, courts must consistently apply the defense.271 Too broad an interpretation of parody will allow any artist to “cry parody” at the mark holder’s expense.272 First, courts must understand that according to the text of the TDRA, use of a mark as a source identifier should preclude parody as fair use.273 Secondly, unsure of whether the mark must be the target or weapon of the parody, courts may find for defendants who used famous marks as weapons of the parody.274 Examining the statutory language itself and relevant case law, it seems as though courts should only apply the parody exemption when the mark is used as a target, not

267 See id. (using the noncommercial use defense only to justify parody as a defense); TDRA Hearing, supra note 88, at 36–37 (statement of Mr. Marvin J. Johnson, Legislative Counsel, ACLU) (noting that courts used the noncommercial use defense to protect parodies from liability, and thus recommending that the TDRA drop the noncommercial and commercial distinction if adopting a free speech defense such as parody).

268 See 15 U.S.C. § 1125(c)(3); infra notes 269–277 and accompanying text.

269 See Walking Mountain Prods., 353 F.3d at 801–02, 812 (holding that Barbie photographs, which commented upon gender roles and women’s position in society, were parodies of Barbie); Gunnell, supra note 31, at 467–68. But see Smith, 537 F. Supp. 2d at 1316 (holding that defendant’s Wal-Ocaust and Wal-Qaeda logos commented directly upon Wal-Mart and were thus successful parodies).

270 See Smith, 537 F. Supp. 2d at 1316 (defining parody as a simple form of entertainment conveyed by the juxtaposition of the representation of the mark with the idealized image created by the mark’s owner); Gunnell, supra note 31, at 463, 465 (noting the effect of such a broad parody exception and the lack of attention courts give to defining a parody in dilution cases).

271 See Smith, 537 F. Supp. 2d at 1339–40 (using parody as part of the noncommercial use exception but neglecting to recognize that the defendant was using marks to refer to his own products). But see Starbucks Corp., 588 F.3d at 112 (recognizing that the parody exception will not apply because defendant was using “Charbucks” as a designation of source for its own goods).


273 See Starbucks Corp., 588 F.3d at 112. The TDRA makes it clear that the defense will not apply if the mark is used as the designation of source for the defendant’s own goods or services. See 15 U.S.C. § 1125(c).

274 See Gunnell, supra note 31, at 468–69; Posner, supra note 125, at 67–68.
a weapon.\textsuperscript{275} As presently constituted, courts applying the TDRA may allow a parodist to use the holder’s mark in a fashion harmful to the mark simply because the parodist is satirizing or commenting upon society, rather than the mark itself.\textsuperscript{276} Thus, artists may “escape […] judicial scrutiny” regardless of whether the use is actually a parody or the degree to which the mark is harmed.\textsuperscript{277} Max Papeschi, under the current judicial interpretation of parody under the TDRA, could successfully raise the parody defense.\textsuperscript{278} Although he does not use Disney as the “target” of his parody, courts would likely exempt his use of the Disney trademark as a parody, reasoning that Papeschi has differentiated his parody from the original mark and is using the mark as a satire to criticize American culture at large.\textsuperscript{279}

Papeschi would also be able to escape liability under the nominative fair use defense because he used Mickey Mouse to reference the Disney brand.\textsuperscript{280} An artistic use of a mark is inherently nominative, as the depiction identifies the mark holder’s trademark.\textsuperscript{281} This guaranteed exclusion for artists, however, has no grounding in the dilution by tarnishment context.\textsuperscript{282} Nominative use is considered fair use in trademark infringement because it does not attempt to capitalize on con-

\textsuperscript{275} See 15 U.S.C. § 1125(c) (requiring the parody be commenting upon the famous mark); Smith, 537 F. Supp. 2d at 1340; Dr. Seuss Enters. v. Penguin Books USA, Inc., 109 F.3d 1394, 1401 (9th Cir. 1997) (reasoning that the similarity between Dr. Seuss’s style and the parody was not warranted where the authors were not intending to actually comment on Dr. Seuss); Posner, supra note 125, at 71; see also Gannell, supra note 31, at 468 (noting that weapon parodies provide little societal benefit because they could have conveyed their message without negatively affecting the intellectual property of the mark holder).

\textsuperscript{276} Gannell, supra note 31, at 466–69 (discussing whether courts may interpret the statute to find that some parodies do not constitute fair use or perhaps apply an imprecise definition of parody to more generally benefit defendants).

\textsuperscript{277} See id. at 442, 467–68. The juxtaposition of dilution and parody have been coined the “dilution-parody paradox.” Id. at 454. Underlying this paradox is the tension between parody and dilution due to the fact that the ridicule that is the object of parody conflicts with the purpose of anti-dilution law. Id.

\textsuperscript{278} See Smith 537 F. Supp. 2d at 1316; supra notes 126–129 and accompanying text.

\textsuperscript{279} See Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC, 507 F.3d 252, 260 (4th Cir. 2007); Smith, 537 F. Supp. 2d at 1316; Gannell, supra note 31, at 468; Posner, supra note 125, at 71.

\textsuperscript{280} See Tiffany, 600 F.3d at 112; Walking Mountain Prods., 353 F.3d at 812. The nominative fair use defense is unnecessary due to the requirement that the use be a trademark use. See Burstein, supra note 7, at 1225, 1244. If the junior user must use the mark as a trademark in order to fall within the scope of the statute, then the nominative fair use exception (which exempts non-trademark uses) is irrelevant. See id.

\textsuperscript{281} See Playboy Enters., Inc., v. Welles, 279 F.3d 796, 806 (9th Cir. 2002); New Kids on the Block v. News Am. Publ’g, Inc., 971 F.2d 302, 308 (9th Cir. 1992).

\textsuperscript{282} See infra notes 283–286 and accompanying text.
This kind of trademark use is now an affirmative defense for dilution by tarnishment, yet consumer confusion is by no means a part of tarnishment theory. By creating a cause of action for dilution by tarnishment, Congress sought to remedy any use that encroaches upon the business reputation of a famous mark, not to remedy public confusion caused by competitors’ use of that mark. If tarnishment is still a result of the defendant’s use, then a nominative use that developed out of concern for consumer confusion should not have any bearing on a court’s judgment.

V. Recommendations for Improving the TDRA

As the TDRA will immediately shield defendants when applied to artistic works, courts should not use it in such situations. Other areas of intellectual property law more appropriately balance the property rights of plaintiffs with the First Amendment concerns of defendants. This Part suggests that a more accurate analysis of trademark dilution by tarnishment can come from a comparative look at the methods used by courts in actions based on copyright law and the right of publicity. This Part first proposes an alternative to the rigid framework of the TDRA: an alteration to the language in the cause of action for injunctive relief and a new fair use defense, similar to that of copyright law, as a substitute for the TDRA’s statutory defenses. This Part

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283 See New Kids on the Block, 971 F.2d at 308.
284 See 15 U.S.C. § 1125(c) (2006). In addition, a broad nominative fair use defense is unnecessary given the existence of the fair use exclusion for use of a mark in advertising or promotion that allows consumers to compare goods. See id. § 1125(c)(3)(A)(i); see also New Kids on the Block, 971 F.2d at 308 (noting that the nominative fair use defense is permissible because the junior user uses the mark in a non-confusing way to identify the mark holder’s goods).
286 See MCA Records, 296 F.3d at 903; New Kids on the Block, 971 F.2d at 308. Also, there is no uniform understanding of how the nominative fair use test will be applied. See Burstein supra note 7, at 1242–44.
287 See Rosenblatt, supra note 14, at 1011 (noting that trademark law permits negative depictions of marks); supra notes 202–286 and accompanying text.
288 See E.S.S. Entm’t 2000, Inc. v. Rock Star Videos, Inc., 547 F.3d 1095, 1099 (9th Cir. 2008) (applying the artistic relevance test in a trademark infringement case); Rogers v. Koons, 960 F.2d 301, 309 (2d Cir. 1992) (using a four-factor fair use test in a copyright case); Comedy III Prods., Inc. v. Gary Saderup, Inc., 21 P.3d 797, 807–08 (Cal. 2001) (applying a balancing test in a right of publicity case that draws upon the fair use text in copyright law); supra notes 139–201 and accompanying text.
289 See infra notes 292–322 and accompanying text.
290 See infra notes 292–322 and accompanying text.
then returns to Papeschi and examines how Disney would likely succeed in obtaining an injunction under the proposed solution.\textsuperscript{291}

\textbf{A. Multifactorial Fair Use Defense}

The adoption of a fair use defense similar to that found in copyright law is one way to solve some of the TDRA’s deficiencies.\textsuperscript{292} If the use is deemed tarnishing, then the artist could raise a multifactorial fair use defense in place of the current noncommercial use and nominative/parody fair use exclusions.\textsuperscript{293}

Before discussing the adoption of a fair use defense similar to copyright law, the problematic trademark use requirement and the nationally famous mark requirement must be addressed.\textsuperscript{294} To allow the TDRA to capture non-trademark uses, injunctive relief for tarnishing uses should apply to any “use of an image of, or similar to, a famous mark or trade name in commerce that is likely to cause dilution by blurring or tarnishment of the famous mark.”\textsuperscript{295} Then, to allow owners of marks that are only famous in niche markets to have a claim against a diluter, the FTDA’s broader famous mark requirement should be re-adopted.\textsuperscript{296}

To address the complications with the noncommercial use and nominative fair use/parody defenses, a balancing test based on the fair use test of copyright law should replace the noncommercial use and broad fair use exclusions—except for the fair use exclusion allowing advertising or promotion permitting consumers to compare goods.\textsuperscript{297} In place of the over-encompassing fair use defense and separate de-

\textsuperscript{291} See infra notes 323–338 and accompanying text.
\textsuperscript{292} See Koons, 960 F.2d at 309.
\textsuperscript{293} See 15 U.S.C. § 1125(c)(3) (2006); Koons, 960 F.2d at 308.
\textsuperscript{294} See supra notes 217–247 and accompanying text.
\textsuperscript{297} See infra notes 298–322 and accompanying text. The Copyright Act states that copying for purposes such as criticism or comment may constitute “fair use” subject to a four-factor test. See 17 U.S.C. § 107 (2006); Koons, 960 F.2d at 308. The fair use exclusion for advertising and promotion that will remain in the proposed standard should be structured as it was under the FTDA. See 15 U.S.C. § 1125(c)(4)(A) (2000), amended by 15 U.S.C. § 1125(c)(3)(A)(i) (2006) (“Fair use of a famous mark by another person in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark.”).
fense for noncommercial use, the TDRA should adopt copyright’s first fair use factor, the purpose and character of the use, to determine whether or not the tarnishing use was fair.\textsuperscript{298} Doing so would allow courts to examine noncommercial use as one factor that may constitute fair use, while also providing a clearer and more consistent definition of parody and removing trademark infringement’s confusion-based nominative fair use defense.\textsuperscript{299}

Analyzing noncommercial use as just one factor in determining fair use is preferable to the present defense because “any noncommercial use” is too broad to stand alone as a defense in an art world that is increasingly commercial, and it is duplicative given the existence of a parody exemption.\textsuperscript{300} In right of publicity and copyright infringement cases, an expressive work with some commercial elements is not immediately excluded from liability as it is in dilution by tarnishment.\textsuperscript{301} Noncommercial use is instead considered when balancing competing interests.\textsuperscript{302} Trademark dilution stands alone in refusing to perform a similar balancing of interests.\textsuperscript{303} Rather than automatically exclude expressive works from liability because they do more than propose a


\textsuperscript{299} See Koons, 960 F.2d at 309; infra notes 300–322 and accompanying text. Under this fair use test, a trademark use will usually not be protected as a fair use because most diluters who use a representation of a famous mark as their own trademark are doing so for commercial purposes in selling their products. See Starbucks Corp. v. Wolfe’s Borough Coffee, Inc., 588 F.3d 97, 112 (2d Cir. 2009) (describing how the “Charbucks” marks were used as a designation of source for the defendant’s coffee products). This result is consistent with the TDRA’s language implying that trademark uses are especially unworthy of fair use protection. See 15 U.S.C. § 1125(c)(3)(A) (excluding from fair use the use of a mark as a designation of source for the junior user’s goods or services).

\textsuperscript{300} See Lockridge, supra note 13, at 355 (discussing the complicated line drawing in the context of the noncommercial use exclusion); see also Smith v. Wal-Mart Stores, Inc., 537 F. Supp. 2d 1302, 1340 (N.D. Ga. 2008) (finding defendant’s domain names and website merchandise analogizing Wal-Mart to Nazis and al-Qaeda were parodic works considered noncommercial speech). But see Joern, supra note 6, at 294–97 (citing support for the inclusion of both a noncommercial and parody exception); supra notes 248–267 and accompanying text.

\textsuperscript{301} See Koons, 960 F.2d at 308; Comedy III Prods., 21 P.3d at 804.

\textsuperscript{302} See ETW Corp. v. Jireh Publ’g., Inc., 332 F.3d 915, 925 (6th Cir. 2003) (balancing First Amendment rights with intellectual property rights despite the use being noncommercial); Koons, 960 F.2d at 309 (noting that the noncommercial aspect of Koons’s artwork is but one part of the first factor of the four-factor test); Comedy III Prods., 21 P.3d at 804, 808 (using a “transformative” test despite having determined the work is noncommercial).

\textsuperscript{303} See Smith, 537 F. Supp. 2d at 1340; Lockridge, supra note 13, at 368–69 (discussing how Congress does its own balancing by giving defendants a general noncommercial use exclusion).
commercial transaction, tarnishment law should draw from the copyright context and allow noncommercial use to function as a factor in considering whether purpose and character of the use is fair.304

When analyzing noncommercial use in a multifactorial dilution test, the court should look to the doctrines of copyright and the right of publicity because both are more flexible regarding the boundary between commercial and noncommercial use.305 For the right of publicity, the high degree of First Amendment protection for noncommercial speech about celebrities will not necessarily outweigh an individual’s right to publicity.306 In the copyright context, the court has explained that the “crux of the profit/nonprofit distinction is not whether the sole motive of the use is monetary gain but whether the user stands to profit from exploitation of the copyrighted material without paying the customary price.”307 Unlike dilution by tarnishment, therefore, copyright law does not monitor the commercial/noncommercial boundary by looking at the primary purpose.308 Instead, copyright law focuses on whether the user will profit from exploiting the copyrighted material, and considers this determination as one factor in its fair use decision.309

Under this purpose and use factor, courts must clarify their interpretation for what constitutes a parody.310 Parody has not always been consistently interpreted and the TDRA does not define parody.311 Instead, parody for trademark purposes has been judicially defined as a form of entertainment conveyed by juxtaposing the representation of the trademark with the “idealized image created by the mark’s owner.”312 A parody must also express some element of satire, ridicule, joking, or amusement.313 This judicial definition of parody leaves much

304 See Koons, 960 F.2d at 309; see also Comedy III Prods., 21 P.3d at 808 (looking to copyright law in applying its own transformative test).
305 See Koons, 960 F.2d at 309; Comedy III Prods., 21 P.3d at 804.
306 See Comedy III Prods., 21 P.3d at 804.
308 See id. at 309.
309 See id.
310 See Gunnell, supra note 31, at 454 (writing that there is a strong tension between dilution and parody); infra notes 311–317 and accompanying text.
311 See 15 U.S.C. § 1125(c) (2006); Mattel, Inc. v. Walking Mountain Prods., 355 F.3d 792, 812 (9th Cir. 2003); Mattel, Inc. v. MCA Records, Inc., 296 F.3d 894, 901 (9th Cir. 2002); Smith, 537 F. Supp. 2d at 1316.
313 See id.
leeway for artists to claim exemption from liability.\textsuperscript{314} Although there are slight variants to this definition, each should culminate in a consistent, appropriate legal standard.\textsuperscript{315} One scholar proposes to define “parody” as “a (1) literary or artistic work (2) that seeks to comment upon or criticize another work (3) by appropriating or mimicking elements of the original work, in order to (4) create a new artwork that makes ridiculous the style and expression of the original (5) in a humorous fashion.”\textsuperscript{316} This definition could guide courts to reach consistent decisions of whether an artist’s work is truly a parody.\textsuperscript{317}

Part of the courts’ inconsistent application of the parody defense stems from confusion over whether the target/weapon distinction is relevant in dilution cases.\textsuperscript{318} The statute can be read as implying that some parodies do not constitute fair use, specifically those that do not target the original mark.\textsuperscript{319} If exclusion from liability was solely based on an artist claiming parody without determining whether the artist was actually commenting upon the mark itself, then there would be no concrete boundary to the fair use defense.\textsuperscript{320} Courts in the dilution context should analyze parodies with reference to their role as a target or weapon, and apply the parody exemption when the mark is used as a target.\textsuperscript{321} Adopting the copyright understanding of parody—

\begin{itemize}
\item \textsuperscript{314} See Gunnell, \textit{supra} note 31, at 471.
\item \textsuperscript{315} See id. at 454 (writing that a universal requirement of parody is that it must convey two messages—that it is the original but also that it is not the original and is instead a parody). \textit{Compare Haute Diggity Dog}, 507 F.3d at 260 (using the juxtaposition definition), \textit{and Smith}, 537 F. Supp. 2d at 1316 (same), \textit{with MCA Records}, 296 F.3d at 901 (looking at the target/weapon distinction for infringement).
\item \textsuperscript{316} See Gunnell, \textit{supra} note 31, at 466.
\item \textsuperscript{317} See id. This parody definition would also exclude trademark uses from the fair use defense because the definition only applies to literary or artistic works. See id. This result is consistent with the TDRA’s fair use defense which excludes trademark uses. See 15 U.S.C. § 1125(c)(3)(A) (2006).
\item \textsuperscript{318} See \textit{Haute Diggity Dog}, 507 F.3d at 260; \textit{MCA Records}, 296 F.3d at 901; Burstein, \textit{supra} note 7, at 1211–12.
\item \textsuperscript{319} See 15 U.S.C. § 1125(c)(3) (requiring the parody be commenting \textit{upon} the famous mark); Gunnell, \textit{supra} note 31, at 466; Posner, \textit{supra} note 125, at 74 (discussing parodies in the copyright context but analogizing them to parodies in the dilution context due to their similar approach of analyzing economic consequences and not looking at source of confusion as an issue). Also, the statute already recognizes that where the parody is used as a source identifier, it is not fair use. See 15 U.S.C. § 1125(c)(3)(A)(ii).
\item \textsuperscript{320} See \textit{Koons}, 960 F.2d at 310; Gunnell, \textit{supra} note 31, at 468.
\item \textsuperscript{321} See 15 U.S.C. § 1125(c)(3)(A)(ii) (requiring the parody be commenting \textit{upon} the famous mark); \textit{MCA Records}, 296 F.3d at 901; Posner, \textit{supra} note 125, at 71; see also Gunnell, \textit{supra} note 31, at 468 (noting that weapon parodies provide little societal benefit because they could have conveyed their message without negatively affecting the intellectual property of the mark holder). 
\end{itemize}
in which the copied work must be an object of the parody—would serve this end.322

B. Reinexaming “NaziSexyMouse” Under the Proposed Solution

Under the proposed solution, Disney would likely succeed in a dilution by tarnishment suit against Papeschi.323 First, it is important to understand how “NaziSexyMouse” tarnishes the Disney mark and why Papeschi should be liable for such tarnishment.324 Courts have found dilution by tarnishment in cases involving adult cartoons, illegal drugs, crude humor, and X-rated movies.325 In 2008, the U.S. District Court for the District of Georgia in Smith v. Wal-Mart Stores, Inc. recognized dilution by tarnishment in situations where the trademark is portrayed in an “unwholesome or unsavory context likely to evoke unflattering thoughts about the owner’s product.”326 It is clear from past cases that Papeschi’s use of the Disney mark, a positive brand name, in the unwholesome context of a nude woman and a swastika would be sufficiently tarnishing.327

Despite the tarnishment, some may urge that Papeschi is nonetheless deserving of First Amendment protection.328 This Note does not argue that all tarnishing uses are not deserving of protection.329 But it does argue that before presuming all artistic works deserve protection,

322 See Koons, 960 F.2d at 310. Some courts seem to have reached an understanding that the parody must target the original mark. See MCA Records, 296 F.3d at 901 (holding so in the infringement context); Dallas Cowboys Cheerleaders, Inc. v. Pussycat Cinema, Ltd., 604 F.2d 200, 206 (2d Cir. 1979); Am. Family Life Ins. Co. v. Hagan, 266 F. Supp. 2d 682, 688 (N.D. Ohio 2002).
323 See infra notes 331–338 and accompanying text.
324 See infra notes 325–330 and accompanying text.
326 See 537 F. Supp. 2d at 1339.
327 See 15 U.S.C. § 1125(c) (2) (C) (2006); Smith, 537 F. Supp. 2d at 1339; Gunnell, supra note 31, at 462 (noting that courts are displeased when a trademark is associated with “lewd, rude, and unsavory characteristics” for purely commercial purposes although they are willing to provide some slack when there is some societal message). Courts have found tarnishment to occur in contexts such as those involving illicit drugs or lewd or sexual behavior. V Secret Catalogue, Inc. v. Moseley, 605 F.3d 382, 387–88 (6th Cir. 2010) (“The . . . ‘association’ between a famous mark and lewd or bawdy sexual activity disparages and defiles the famous mark and reduces the commercial value of its selling power.”), rev’d, 537 U.S. 418 (2003); Coca-Cola Co. v. Gemini Rising, Inc., 346 F. Supp. 1183, 1187 (E.D.N.Y. 1972).
328 See Roe, supra note 13, at 604–05 (noting the discomfort some scholars have with trademark dilution).
329 See supra notes 202–216 and accompanying text.
the rights of mark holders should be more fairly balanced with the rights of artists.\textsuperscript{330}

Papeschi’s work would not be shielded under the reworked TDRA.\textsuperscript{331} Although the exclusions of news reporting and advertising to compare goods and services remain, Papeschi’s work clearly does not fit into either category.\textsuperscript{332} Thus the court would have to analyze the work under the multifactorial fair use defense where the noncommercial nature of “NaziSexyMouse” would be but one factor among many to determine fair use.\textsuperscript{333} If a court were to recognize Papeschi’s large poster advertising his work and the fading line between commercial and noncommercial works in the commercial art market, then the purpose/use factor would likely weigh in favor of Disney.\textsuperscript{334} Regarding the parodic nature of the work, the court would examine “NaziSexyMouse” under the “parody as target” analysis.\textsuperscript{335} Papeschi explains on his website that the series is a commentary on the United States, revealing all the “horrors of the American lifestyle.”\textsuperscript{336} The use of the Mickey Mouse head, therefore, is not the target of the parody, but rather a weapon to comment on the United States.\textsuperscript{337} Without Disney serving as the target of the parody, the parody fair use defense would also tilt to the mark holder’s favor.\textsuperscript{338}

**Conclusion**

Under the Trademark Dilution Revision Act, the property rights of the mark holder are not balanced with the free speech rights of artists. Under the current statutory framework, if a mark holder seeks injunctive relief for an artist’s tarnishing use, he will fail every time. Not only does the language of the statute make it inapplicable to expressive works, but the extensive statutory defenses overcompensate for the small benefits the TDRA gives to mark holders. Other areas of intellectual property reveal that there are more adequate ways to balance these rights. Courts may use a fair use balancing test rather than apply the rigid defenses to artistic works. Either way, this Note urges Congress to

\textsuperscript{330} See Rosenblatt, supra note 14, at 1011.
\textsuperscript{331} See supra notes 292–322 and accompanying text.
\textsuperscript{332} See 15 U.S.C. § 1125(c)(3).
\textsuperscript{333} See Koons, 960 F.2d at 309.
\textsuperscript{334} See id.; supra notes 305–309 and accompanying text.
\textsuperscript{335} See Koons, 960 F.2d at 309–10.
\textsuperscript{336} See Brothers, supra note 1.
\textsuperscript{337} See Gunnell, supra note 31, at 468.
\textsuperscript{338} See Koons, 960 F.2d at 309–10.
recognize the inapplicability of the TDRA to expressive works and suggests drawing from other areas of intellectual property law to better understand the appropriate balance of property rights of mark holders with the First Amendment concerns of free speech and public expression.

ALEXANDRA E. OLSON
Appendix: Poster of “NaziSexyMouse” by Max Papeschi

Source: Kirsten Grieshaber, Mickey Mouse with Nazi Symbol Causes Anger in Poland, HUFFINGTON Post (July 14, 2010), http://www.huffingtonpost.com/2010/07/14/mickey-mouse-with-nazi-sy_n_645721.html